SIXTH ANNUAL REPORT

OF THE

FARM CREDIT ADMINISTRATION

1938

LETTER

FROM

THE GOVERNOR OF

THE FARM CREDIT ADMINISTRATION

TRANSMITTING

THE SIXTH ANNUAL REPORT OF THE FARM CREDIT ADMINISTRATION FOR THE YEAR 1938

FEBRUARY 17, 1939.—Referred to the Committee on Agriculture and ordered to be printed with illustrations

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UNITED STATES

GOVERNMENT PRINTING OFFICE

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FARM CREDIT ADMINISTRATION

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LETTER OF TRANSMITTAL

FARM CREDIT ADMINISTRATION,
Washington, February 16, 1939.

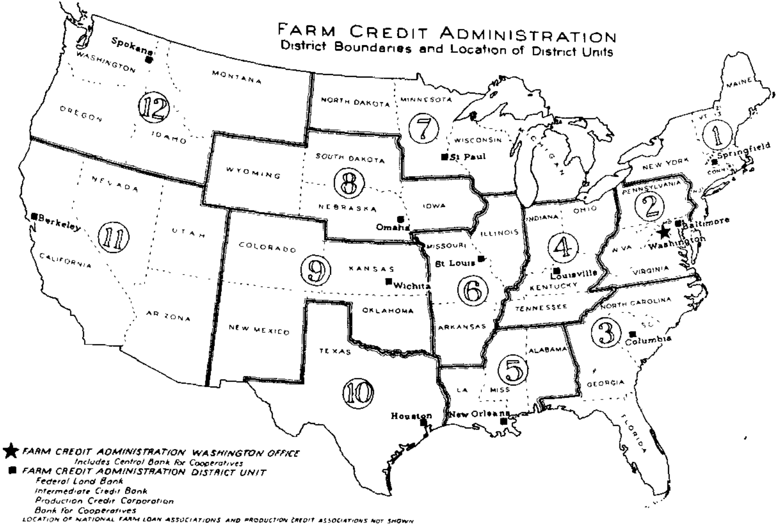
SIR: In accordance with the provisions of paragraph (3) of section 4 of the Agricultural Marketing Act, as amended, section 3 of the Federal Farm Loan Act, as amended, and the Executive order of March 27, 1933, creating the Farm Credit Administration, I have the honor to submit herewith the sixth annual report, covering operations of the Farm Credit Administration for the year 1938.

Respectfully,

F. F. HILL, *Governor.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

FARM CREDIT ADMINISTRATION
District Boundaries and Location of District Units



SUMMARY

THE work of building permanent cooperative credit organizations to serve agriculture in all its phases made substantial and satisfactory progress during 1938. The local credit organizations under supervision of the Farm Credit Administration gained strength, particularly through increased responsibility and control by the farmers and ranchers who are members of these associations and who use the credit facilities furnished through them. The personal interest of members of national farm loan associations, production credit associations, and of other cooperatives all contributed toward making new gains and consolidating the progress which former years began.

COOPERATIVE FARM MORTGAGE CREDIT

Farmers substantially increased their principal payments on Federal land bank loans during 1938 in spite of the fact that the prices they received for farm products were generally lower than in the preceding year. Other credit factors favorable to farmers tended to offset lower agricultural income. Interest rates continued low. The contract rate on new Federal land bank loans remained at 4 percent and on Land Bank Commissioner loans at 5 percent. Moreover, farmers with more than a million land bank and Commissioner loans outstanding benefited further from temporarily reduced interest rates of 3½ and 4 percent, respectively. The program of decentralizing the farm loan system made progress in the various districts. The national farm loan associations, through which Federal land bank loans are made, are being consolidated and strengthened to provide better local loan service; and the accompanying educational program is giving many farmers a better understanding of their responsibilities as members of a cooperative credit system.

FINANCING THE PURCHASE OF FARMS

The national farm loan associations and the Federal land banks continued during the year to encourage young farmers and tenants who had reasonable savings to make down payments to buy farm homes of their own. Approximately one-fifth of the 21,924 loans made by the land banks and the Commissioner during the year were used for this purpose. In lending money to farmers to help them buy farms, and also in selling real estate which the banks have acquired,

every effort is made to encourage purchases that should result in eventual debt-free ownership of farm homes, as opposed to speculative or absentee-ownership enterprises. With the help of Land Bank Commissioner loans from funds of the Federal Farm Mortgage Corporation, farmers in many instances may borrow 75 percent of the appraised normal value of the properties they desire to purchase.

Increased principal payments, together with a smaller volume of new loans, made it possible for the Federal land banks to decrease their bonded indebtedness during the year. Although the demand for farm land was lower than in 1937, the sale of farms by the land banks from their accumulated holdings was considerably greater than the acquisition of new properties, so that total real estate holdings declined further.

THE TOTAL FARM MORTGAGE DEBT

Approximately 35 percent of all farms in the United States carried mortgages at the beginning of 1938. The debt amounted to approximately $7,082,000,000, of which $2,835,900,000, or about 40 percent, was held by the Federal land banks and the Land Bank Commissioner. Their holdings were greater than those of any other group of creditors. In 1928 the land banks held about 12 percent of the total farm mortgage debt. Most of the increase occurred in the period 1933–35, when the land banks and the Commissioner refinanced large numbers of loans formerly held by other creditors.

DEBT COST LOWER

Mortgage debt costs to the farmer have dropped at a more rapid rate during the past 10 years than the decrease in the debt itself. This has been due in a large part to the refinancing by the land banks and Commissioner at lower than average rates. The total farm mortgage debt dropped approximately $2,400,000,000 in the 10 years ending January 1, 1938, due to foreclosures, to less borrowing by farmers, and to refinancing after scale-down of indebtedness had been made. In this period while the debt was decreasing 25 percent, interest charges declined by more than one-third to approximately $365,000,000 in 1938, or about $160 per mortgaged farm. The saving in interest due to refinancing of loans through the Federal land banks and the Commissioner was more than $42,000,000 in 1938. Moreover, the temporary lower rate provided through congressional appropriation reduced interest costs by an additional $38,913,000 for land bank and Commissioner borrowers.

LOCALIZING COOPERATIVE FARM MORTGAGE CREDIT

The immediate program of decentralizing the cooperative farm mortgage system, begun in 1935, neared completion during 1938.

Under this program the national farm loan associations are placing their operations on a self-supporting basis and are taking the necessary responsibilities in making new loans and servicing old ones as was intended by the original Farm Loan Act in 1916 but never entirely realized.

ALL DISTRICTS ADOPT NEW PROGRAM

The first step was to work out a satisfactory plan of allowances to enable the national farm loan associations to perform the job of making and servicing loans. Most of the national farm loan associations in the country are now operating under this plan. It provides the associations with sufficient income to enable them to meet the expenses of performing the servicing job and in general operate on a sound business basis. Directors of the local associations have been quick to realize the importance of increasing local responsibility; they are assuming the responsibility and are otherwise cooperating splendidly in the program.

OVERLAPPING BOUNDARIES CLEARED UP

The second step in rebuilding the local sources of cooperative mortgage credit was to eliminate overlapping boundaries and resulting competition between associations and to organize them into sound economic units. In clearing up the problem of overlapping, the total number of associations was reduced from over 5,000 in 1935 to about 4,100 at the end of 1938. Here again much of the initiative has come from the associations themselves. In many instances, two or more associations have employed a single competent secretary-treasurer to do the actual service work, but each association has retained its own board of directors. This procedure has helped to increase the efficiency in collecting and servicing loans and to provide greater convenience to members. At the same time savings have been made on the cost of required annual audits and on bookkeeping.

REHABILITATING IMPAIRED ASSOCIATIONS

Provision for continuing the services of impaired national farm loan associations was contained in the Farm Credit Act of 1937. Whenever the capital stock of an association is impaired the Farm Credit Administration may authorize the Federal land bank to make loans through such an association under certain special terms and conditions. During the last year this ground work for such activities was laid.

FINANCIAL CONDITION OF THE FEDERAL LAND BANKS

During 1938 the Federal land banks continued to call and retire their individual farm loan bonds. Such calls and retirements for the year totaled $36,744,460. Increased payments by borrowers,

together with a decline in the demand for new loans, provided most of the funds for this purpose. The balance was derived from the proceeds of short-term loans from commercial banks and the Federal Farm Mortgage Corporation. In addition, the Reconstruction Finance Corporation loan of $11,566.360 was paid in full; there was a net decrease of $14,800,000 in loans from the Federal Farm Mortgage Corporation and a net reduction of $15,852,000 in loans from commercial banks.

Total outstanding capital stock of the 12 land banks on December 31, 1938, was $238,289,711. Of this amount, national farm loan associations held $109,693,516; direct borrowers from the banks and borrowers through agents owned $3,635,945; the United States Government owned the remaining $124,960,250. The associations and borrowers now hold 47 percent of the land banks' outstanding stock.

Paid-in surplus of the 12 banks was $183,309,627 on the last day of 1938. Total amount of capital stock, paid-in surplus, undivided profits, and surplus reserves, including the legal reserves, equaled 27.6 percent of the par value of their farm loan bonds outstanding.

During the year the land banks continued to operate on a fairly normal volume of business, making 14,171 loans for approximately $51,418,000. In 1937, $63,092,000 was loaned to 15,989 applicants. On the last day of 1938 the 12 Federal land banks had 628,781 loans outstanding for $1,982,224,007.

Over the past year payments on principal totaled $43,704,758; in 1937 the amount was $39,671,825; in 1936, $32,608,969. These principal payments of 1938 plus loans paid in full—a total of $69,586,074—exceeded the dollar total of all loans closed during the year.

Notwithstanding adverse agricultural conditions in some territories and unsatisfactory prices for some staple farm commodities, collections on Federal land bank loans continued to hold up well during 1938. Loans upon which all matured installments were paid by the borrower increased from 72.7 percent in 1935 to 77.5 percent in 1936 and to 79.4 percent in 1937. At the end of 1938 they stood at 77.1.

LAND BANK COMMISSIONER LOANS

Land Bank Commissioner loans may be made for the same general purposes as Federal land bank loans. The contract rate of interest is 5 percent per annum and the loans are payable on an amortization plan in a fixed number of annual or semiannual installments, most of them maturing in 10 to 20 years. Temporarily, by acts of Congress, the interest rate has been reduced to 4 percent a year for all interest payments on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940. Loans may be made by the Commissioner until February 1, 1940.

Loans are made upon the security of first or second mortgages on farm property, either real or personal, not exceeding, together with all prior encumbrances, 75 percent of the appraised normal value of the property mortgaged. When the value of the security is ample, loans also may be made on the basis of "prudent investment value" if "the person occupying the property is not entirely dependent upon the income therefrom for his livelihood but receives a part of his income from other dependable sources." The maximum loan to any *one farmer* is $7,500.

Most of the loans closed to date represent either first mortgage loans on security not eligible for Federal land bank loans or second mortgage loans supplementary to existing or new Federal land bank loans. Both Federal land bank first and Land Bank Commissioner first and second mortgage loans are closed on the basis of joint applications to the Federal land banks and the Land Bank Commissioner and are based upon a single appraisal of the security offered, a single investigation of the credit standing and repayment ability of the applicant, and a single examination of the title to the security.

VOLUME OF COMMISSIONER LOANS

During 1938 a total of 17,453 Land Bank Commissioner loans were closed, amounting to $29,395,145, compared to 21,873 loans closed for $40,020,173 during 1937. Since May 12, 1933, when Commissioner loans were first made available, 519,652 loans amounting to $967,016,890 have been made.

On December 31, 1938, there were 448,080 loans outstanding with an unpaid principal balance of $752,850,796, compared to 455,291 loans with an unpaid balance of $812,749,284 outstanding on December 31, 1937. This reduction in loans outstanding during the year 1938 was due to the fact that principal payments totaling $57,824,246 and cancelations by transfers to foreclosure or acceptance of voluntary deed totaling $23,936,802, were in excess of new loans closed. The 3-year deferment period expired prior to the beginning of the year 1938 on most of the Commissioner loans outstanding. The expiration of this deferment period resulted in the maturity and subsequent payment or extension of a sizable amount of principal. Of the total principal which matured prior to December 31, 1938, amounting to $77,639,862, $52,058,968, or 67 percent, was paid and $7,968,936, or 10.3 percent, was extended or deferred.

During the year 1938 the Corporation instituted foreclosure on 4,622 first and 2,945 second mortgage Commissioner loans, as compared to 3,400 first and 2,628 second mortgage foreclosures during the previous year.

The problem of servicing and selling acquired real estate has become one of the Corporation's major problems. The number of farms

and sheriffs' certificates acquired by the Corporation during the year 1938 was 6,638 properties, as compared with acquirement of 4,421 and 2,633 properties acquired during 1937 and 1936, respectively. Since this increase in acquisitions during 1938 was not accompanied by a corresponding increase in the number of sales, the Corporation increased its inventory of farms and sheriffs' certificates from 5,107 properties on December 31, 1937, to 8,245 properties on December 31, 1938.

The Corporation's income for 1938, on an accrual basis, including payments from the Secretary of the Treasury for interest reduction granted to borrowers, was $5,199,310 less than its operating expenses, charge-offs, and valuation reserve requirements. This net loss reduced the reserve for losses on mortgage loans from $32,957,574 at December 31, 1937, to $27,758,264 at December 31, 1938.

PRODUCTION CREDIT ASSOCIATIONS

In their fifth year of operation, production credit associations continued to increase their services to farmers. A total of 243,484 loans amounting to $302,622,809 was made in 1938. This was 5.6 percent more than the amount loaned in 1937. Loans outstanding at the end of 1938 totaled $148,036,721. The millionth loan extended by the production credit associations was made in July by the Peru Production Credit Association at Peru, Ind.; about a month later the billionth dollar was included in a loan to a member of the Woodland Production Credit Association at Woodland, Calif.

During the year the production credit associations continued to demonstrate the soundness of their credit policies by keeping their losses for their 5 years of operation to a fraction of 1 percent of the billion dollars loaned.

In 1938 the production credit associations continued to build on a foundation of an interested and informed membership. During the year 143,000 farm people attended the annual stockholders' meetings of the associations. This included 29 percent of the total membership. At these meetings the members of each association received reports on the operations for the previous year and elected members to their board of directors.

The production credit associations recognize that the more training they give their personnel, the better service each association can give farmers and stockmen. Therefore, they have worked out a comprehensive, long-time training program for employees to supplement the experience gained from their regular work. During 1938, 85 group conferences were attended by 2,131 directors and all secretary-treasurers of production credit associations. These conferences are enabling the directors to assume increasing responsibility in connection with the operations of their associations.

At the end of 1938, 262,689 farmers owned voting stock (class B) in the associations. These members had $14,998,202 invested in the capital stock of their associations. In addition to the capital provided in this way, the production credit corporations owned $75,768,472 of nonvoting stock (class A). Class A stock owned by members and other investors totaled $404,277. During the 5 years of operation the associations have built up undivided profits and surplus reserves totaling $11,186,995.

Production credit corporations in cooperation with the associations continued to make studies of the management and operating procedures of the associations. These studies furnish a basis for eliminating duplication of efforts and simplifying procedure so that the associations may render their members the best possible service at the lowest possible cost.

In 1938 the associations continued their efforts to bring their services as near to their members as possible. Wherever the volume of business justified the added expense, they have established field offices convenient to members living at long distance from an association's home office. By the end of 1938 they had 1,558 field offices, 239 of which were operated on a full-time basis at all times during the year. The other offices are used at stated times during the week or at peak seasons of the year when they will be of the most benefit to the members.

FEDERAL INTERMEDIATE CREDIT BANKS

For the fifth consecutive year the Federal intermediate credit banks were able to continue their 2 percent a year interest and discount rate. Thus during 1938 they advanced their 15 years' successful record as dependable banks of discount for short-term production credit. The interest rate was reflected—as it had been since May 1934—to the advantage of individual members of production credit associations and borrowers from livestock loan companies, agricultural credit corporations, and similar financing institutions by maintaining their interest charge on loans at 5 percent a year. This rate was made possible by the very favorable rates borne by the banks' debentures which were sold in the investment markets for the purpose of obtaining loan funds.

Total volume of debentures issued during the year amounted to $317,925,000; debentures outstanding on the last day of December aggregated $168,725,000. These debentures were of the consolidated type, for which all 12 banks are jointly and severally liable.

VOLUME OF BUSINESS

Loans and discounts of the banks during 1938 totaled $464,023,000, compared with $449,566,000 for the previous year. Loans to and discounts for farmers' financing institutions amounted to $422,219,000,

which was 91 percent of the total volume of business. The banks for cooperatives' loans to agricultural cooperative associations, on the security of commodities, which were rediscounted with the intermediate credit banks, accounted for $39,135,000, or 8.4 percent of the latter's business for the year. Loans made by the intermediate credit banks direct to agricultural cooperatives represented $2,668,000, which was six-tenths of 1 percent of the total volume.

Loans to and discounts for production credit associations in 1938 amounted to approximately $331,753,000; in 1937, the figure was $305,823,000; and the year prior to that, $241,428,000.

EARNINGS SHOW INCREASE

Earned surplus of the banks was increased $2,944,230, after the payment of $760,141 as a franchise tax for 1938 and the addition of $690,000 to reserve for contingencies. This compares with an increase in earned surplus of $3,075,409 for the year 1937, after payment of a franchise tax of $741,275. Also, during 1937, $1,100,000 was transferred to reserve for contingencies from valuation reserves established in 1936 by the banks located in areas affected by the serious drought of that year.

SURVEY OF FARMER COOPERATIVES

A Nation-wide survey of farmers' cooperative associations conducted jointly by the Farm Credit Administration, the district banks for cooperatives, and about 30 State agricultural colleges and universities was completed during 1938. This survey, covering the 1936–37 marketing period, showed more than 15,500 farmer-owned and farmer-controlled cooperative associations and mutual companies operating in the United States. Data were obtained from these organizations to develop the pattern of agricultural cooperation, the various types of financial structure, nature and extent of member participation in cooperatives' management, and comparisons between various cooperatives' marketing and purchasing practices. Of the gross number of organizations surveyed 10,752 are engaged in marketing farm products, purchasing farm supplies, or performing related services. In addition, there are 1,900 mutual fire insurance companies and approximately 2,500 mutual irrigation companies.

Sales of farm products and farm supplies by cooperatives exceed 2 billion dollars annually with 295 associations reporting sales of more than 1 million dollars each and 34 associations reporting sales in excess of 10 million dollars each. Generally speaking and within limits which vary with each commodity type, the larger associations were found to be operating more efficiently than the smaller ones.

For practically every type of association the survey data showed an upward trend in earnings and patronage dividends with increased size of business.

Patronage dividends of $25,380,000 were returned to their patrons by 4,010 cooperative associations during the year covered by the survey. About 37 percent of all marketing and purchasing associations paid patronage dividends in that year. Three of every four associations handling petroleum products paid patronage dividends averaging $4,747 per association. These figures do not represent the total savings effected by cooperatives, since part of the net earnings are retained to build up the farmers' investment in their associations. Many cooperatives return the savings immediately to their patrons in the form of higher prices paid for farm products marketed by them or lower prices for cooperatively purchased supplies. These benefits—of unknown amount—are not reflected in the substantial figures of earnings and dividends. They are especially important in the case of bargaining associations, which concentrate on obtaining better prices for their members.

Seventy-seven percent of the marketing and purchasing associations were found to be incorporated under cooperative laws; 13 percent under general corporation laws; 10 percent of the associations were unincorporated. The survey shows that for the country as a whole there is an increasing tendency to incorporate under cooperative nonstock laws. Very few new associations are incorporating under the general corporation laws.

The survey shows that 86 percent of all the farmers' cooperative marketing and purchasing associations use the one-member-one-vote principle, while in 12 percent of the associations voting privileges are based on the ownership of stock or other types of membership equity.

Approximately one-half of the 15,573 farmers' cooperatives recorded use borrowed funds to help finance their operations. The peak amounts borrowed by individual associations totaled $314,553,000. Eighty-two percent of this amount was borrowed by marketing and purchasing associations, 17 percent by mutual irrigation companies, and about 1 percent by mutual insurance companies.

Commercial banks and the banks for cooperatives are the two most important sources of credit for cooperatives Thirty-nine percent of the total amount of borrowed money used by cooperatives was obtained by associations using commercial banks as their principal source of credit. Twenty-six percent was borrowed by associations using the banks for cooperatives as their principal source of credit. According to the survey, interest rates paid by cooperatives on borrowed capital in 1936 varied up to 11 percent. In general, the large associations borrowed at lower rates than the smaller ones.

The survey data were summarized and published in bulletin form (Farm Credit Administration Bulletin No. 26).

BANKS FOR COOPERATIVES

During 1938 the 12 district banks for cooperatives and the Central Bank for Cooperatives made advances totaling $94,945,530 to borrowing cooperative associations. This compared with advances of $97,584,498 during 1937 and $81,294,454 in 1936. Since the organization of the banks for cooperatives in 1933, total advances have amounted to $407,687,625, of which $319,550,625, or 78.4 percent, had been repaid by December 31, 1938. Outstanding loans of the 13 banks for cooperatives amounted to $87,496,341 on December 31, 1938, compared with $87,633,166 on December 31, 1937, and $69,647,241 at the close of 1936. At the end of the year 1938, 1,631 cooperative associations had loans outstanding with the banks for cooperatives.

STOCKHOLDERS' MEETINGS

During the year 1938 the banks for cooperatives continued their policy of holding stockholders' meetings. Twenty-nine such meetings were held. They were well attended, not only by representatives of borrowers but by members of nonborrowing associations. In general the meetings were devoted to discussions of agricultural and cooperative problems and accomplishments. In each meeting the services offered to cooperative associations by the banks for cooperatives were pointed out and the credit standards and requirements of the banks were explained and discussed.

LENDING POLICIES AND CREDIT STANDARDS

Banks for cooperatives may make loans only to eligible cooperatives whose organization, management, and business policies are of such character as to insure the reasonable safety of the loans. During 1938 they continued to give attention to the economic need, membership support, capitalization, and operating efficiency of their applicants and borrowers as well as to the strictly financial aspects of credit analysis.

They urged the adoption of the revolving capital plan of capitalization for farmers' cooperative associations. Under this plan amounts deducted or retained by a cooperative are used to augment its capital structure. When the amounts thus accumulated over a period of time are sufficient for the cooperative's needs the amounts deducted in the earliest year—and for which certificates of stock or other evidences of equity were issued—are retired. By continuing this process year after year the association's capital is kept in balance with its requirements, the financial interests of former members are retired, and new patrons commence immediately to contribute to the association's capital.

TYPES OF LOANS

Practically complete credit facilities are available through the banks for cooperatives to eligible and qualified associations through the three types of loans made by the banks for cooperatives.

1. Commodity loans, which are of short term, are secured by first liens on farm products or supplies.
2. Operating capital loans typically are for the purpose of supplementing the borrower's working capital and are generally made for relatively short periods. Liens on real estate, equipment, and inventories generally are taken.
3. Facility loans are available to enable eligible borrowers to finance or refinance the acquisition—by purchase or lease—of land, buildings, or other physical facilities. Such loans must be repaid within 20 years; but in most cases the schedule of repayments covers a period of less than 10 years.

During 1938 the banks for cooperatives charged 2 percent interest per annum on commodity loans, 3 percent on operating capital, and 4 percent on facility loans.

EMERGENCY CROP AND FEED LOANS

The Farm Credit Administration is authorized by an act of Congress, approved January 29, 1937, to make emergency crop and feed loans. A fund of $50,000,000 was appropriated in 1937 for making such loans, and under subsequent legislation a part of this fund remains available for making loans until June 30, 1939. Funds for loans after that date are dependent upon further appropriation by Congress. Emergency crop and feed loans are made for short periods to farmers who are unable to obtain loans from other sources. The maximum loaned to any one borrower is $400. The loans may be obtained for financing the production and harvesting of crops, for buying feed for livestock or for fallowing of land.

NUMBER AND AMOUNT OF LOANS

In 1938, 174,590 loans for $19,582,465 were made. This was a decrease of 31 percent in loans and 39.8 percent in dollar volume, compared with 1937. The drought of 1936 and the limited resources of the small farmer were responsible for the increase in the number and amount of loans in 1937, compared with the previous year. However, with the return of more normal crop conditions in 1937 in the drought-affected areas, a great number of small farmers managed to restore their resources and credit and were able to finance themselves in 1938 without the aid of emergency crop loan financing. This accounted to a certain extent for the large reduction in the demand for loans in 1938 and a resumption of the general downward trend in loan volume.

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COLLECTIONS

Of the 1938 loans which had matured by December 31, 1938, totaling $17,771,325, $11,090,609, or 62.4 percent, had been collected. The amount of money outstanding on 1938 loans at the close of the year was $8,471,722, and $1,388,534 of this amount represented winter wheat loans which will not mature until the summer of 1939.

Over the entire period 1921–38, $357,955,588 has been advanced in emergency crop and feed loans. Of this amount, $241,828,821, or 67.6 percent, has been repaid to date.

FEDERAL CREDIT UNIONS

Federal credit unions—thrift and credit associations formed within clearly defined groups of persons having a close common bond, usually occupational in character—continued to prove popular and "to make more available to people of small means credit for provident purposes through a national system of cooperative credit." In June 1934 Congress first authorized the Governor of the Farm Credit Administration to issue Federal charters to such associations. These cooperative organizations depend on the savings of their members for loan funds (except for occasional borrowing from outside sources) and are conducted by their own selected officials. Net profits, after 20 percent is set aside in a reserve fund, may be distributed among members as dividends.

Altogether 515 Federal charters were granted in 1938 compared with 638 in 1937, bringing the total number issued to 3,015. Of the Federal credit unions thus authorized to operate approximately 2,750 were classed as active at the close of 1938. Credit unions are now functioning in 47 States, the District of Columbia, and in the Territory of Hawaii. Total membership of these active Federal credit unions on December 31, 1938, was estimated as 615,000; assets, $28,500,000; shareholdings, $26,000,000; and outstanding loans, $23,500,000.

Organization of new Federal credit unions in 1938 continued to advance most noticeably in the eastern industrial States. While industrial credit unions occupy a dominating position, other types are making notable advances. Teacher groups, labor unions, churches, and fraternal societies are setting up credit unions, and rural communities continue to experiment with the plan.

ORGANIZATIONS BEING LIQUIDATED

This review has considered the progress during the year 1938 of the permanent credit organizations under the Farm Credit Administration, as well as those of an emergency character. Other organizations in process of liquidation come under Farm Credit Administration supervision.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

The Seventy-second Congress, in what is commonly known as the Emergency Relief and Construction Act of 1932, authorized the Reconstruction Finance Corporation to create in any of the 12 farm credit districts a regional agricultural credit corporation with a paid-up capital of not less than $3,000,000. A regional agricultural credit corporation was created in each farm credit district. Under the principal offices, branches were established where necessary. These corporations were temporary in character and designed to meet the then pressing need for short-term agricultural credit, particularly in the livestock industry.

After production credit associations began to function in 1934, offering permanent sources of this type of credit, the regional agricultural credit corporations commenced orderly liquidation.

From organization of the regional agricultural credit corporations late in 1932 to December 31, 1938, 197,703 loans—exclusive of renewals—aggregating $325,684,348 were made.

On December 31, 1938, only 11,659 loans amounting to $11,081,297 remained outstanding. These were located principally in the seventh Farm Credit district where crops had failed for several consecutive years.

To December 31, 1938, the amount of loans outstanding had been reduced $314,603,051, or 96.6 percent of the amount loaned. From organization to December 31, 1938, losses from all sources amounted to approximately $2,000,000 or about six-tenths of 1 percent of the amount loaned.

With the reduction in loan volume, mergers and consolidations were made in field offices. As of December 31, 1938, 6 corporations and 1 branch were in operation compared with a peak of 12 corporations with 21 branch offices.

The original paid-in capital of the regional agricultural credit corporations was $44,500,000. During the period of liquidation from May 1, 1934, to December 31, 1938, $39,500,000 of the subscribed capital was repaid to the Reconstruction Finance Corporation. The present capital of the regional agricultural credit corporations is $5,000,000.

A more detailed statement of operations and present condition, together with supporting statistical information, appears later in the annual report.

AGRICULTURAL MARKETING ACT REVOLVING FUND

Administration by the Farm Credit Administration of the revolving fund originally amounting to $500,000,000 made available to the Federal Farm Board for making loans to farmers' cooperative associations and to stabilization corporations began May 27, 1933. Active

lending operations from this fund were curtailed after the establishment of the Central Bank for Cooperatives and the 12 district banks for cooperatives, created under the Farm Credit Act of 1933. Progress in liquidation of loans made by the Federal Farm Board and the Farm Credit Administration from the revolving fund has continued. During 1938 cash payments of loans were made to the revolving fund aggregating $15,658,167. On the last day of the year outstanding loans totaled $91,183,004.

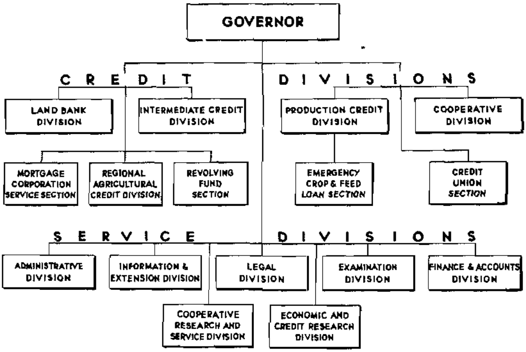

FIGURE 2

THE WASHINGTON ORGANIZATION OF THE FARM CREDIT ADMINISTRATION

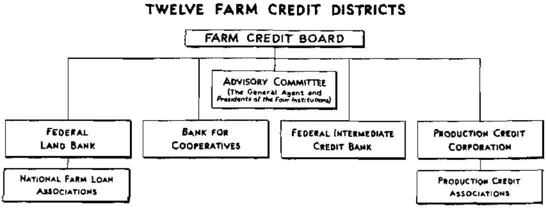

FIGURE 3

THE DISTRICT ORGANIZATION OF THE FARM CREDIT ADMINISTRATION

SIXTH ANNUAL REPORT

of the

FARM CREDIT ADMINISTRATION

THE Farm Credit Administration, which was organized in 1933, has under its supervision a Nation-wide system of permanent agricultural credit units, and in addition a number of emergency credit organizations.

Shortly after the Farm Credit Administration was organized, Congress enacted legislation authorizing it to strengthen and extend the service of the cooperative farm mortgage system which had been operating since 1917. The Farm Credit Administration was also authorized to set up loan services for short-term production credit and credit for farmer cooperatives.

For the purposes of making agricultural credit available to farmers, the country is divided into 12 farm credit districts. There is a Federal land bank, a Federal intermediate credit bank, a production credit corporation, and a bank for cooperatives in each district. All four institutions operating in each district are located in the same city and building. Offices of the emergency crop and seed loan organizations, with three exceptions, also are located in these 12 regional executive centers.

Farmers in each farm credit district have access to farm mortgage loans through their local national farm loan associations. These local mortgage-credit cooperatives handle Federal land bank and Land Bank Commissioner loans. Farmers obtain loans for crop and livestock production from their local production credit associations. These short-term credit cooperatives are supervised by the production credit corporation of the district. Farmers' marketing and purchasing cooperatives may borrow money from the district bank for cooperatives. A Central Bank for Cooperatives extending credit to large regional or national cooperatives is located in the Washington office.

The source of loan funds for production credit associations is the 12 Federal intermediate credit banks. These banks, which were authorized in 1923, borrow money from investment sources and relend it to production credit associations and other eligible credit institutions. To that extent, the banks act as wholesalers of short-term and

intermediate agricultural credit. They do not make loans directly to farmers.

W. I. Myers, who was Governor of the Farm Credit Administration for a period of nearly 5 years, resigned on September 20, 1938, to become head of the Department of Agricultural Economics at Cornell University. He was succeeded by F. F. Hill who had been Deputy Governor of the Farm Credit Administration since 1934.

E. A. Stokdyk, on leave of absence from the presidency of the Berkeley Bank for Cooperatives, and R. R. Clarke, on leave of absence from the vice presidency of the Federal Land Bank of Columbia, were appointed Deputy Governors to fill existing vacancies.

FEDERAL LAND BANKS

The 12 Federal land banks were established in 1917 under the authority of the Federal Farm Loan Act, as permanent institutions designed to provide long-term farm mortgage credit for agriculture at rates of interest in keeping with the costs of borrowed funds plus a margin for operating expenses.

APPLICATIONS

Since August 23, 1933, the Federal land banks have acted as agents of the Land Bank Commissioner as well as for themselves in the handling of applications and making of farm mortgage loans. The following table shows the number and amount of applications received or reinstated by the Federal land banks, from May 1, 1933, through December 31, 1938:

Applications from May 1, 1933, through Dec. 31, 1938

Year	Number	Amount
May 1, to Dec. 31, 1933	502,470	$2,064,897,403
1934	402,829	2,043,653,392
1935	162,968	811,081,485
1936	84,030	375,504,853
1937	60,836	247,985,002
1938	58,719	231,940,745
Total, May 1, 1933, to Dec. 31, 1938	1,271,852	5,775,062,880

In addition to the 58,719 applications for loans aggregating $231,940,745 received during 1938, there were 13,611 applications for $53,194,390 that had been received prior to January 1, 1938, and had not been disposed of by that date. Of these applications, 21,924 were approved as loans during the year; $51,418,472 being advanced as Federal land bank loans and $29,395,145 as Land Bank Commissioner

loans. At the end of the year 12,061 applications for $45,286,515 were pending. A table showing the detailed disposition of applications during the year follows:

Receipt and disposition of applications during the year 1938

Status or action	Number	Amount
Pending applications outstanding Jan. 1, 1938 (approved and unapproved)	13, 611	$53, 194, 390
Received during 1938	58, 719	231, 940, 745
Total	72, 330	285, 135, 135
Disposed of during 1938:		
Rejected by banks, withdrawals and cancelations before approval	26, 703	89, 403, 171
Amount of reduction by banks		26, 311, 419
Rejected by banks, withdrawals and cancelations after approval	11, 642	43, 320, 413
Applications closed as loans:		
Federal land bank	21, 924	51, 418, 472
Land Bank Commissioner		29, 395, 145
Total disposed of	60, 269	239, 848, 620
Pending applications outstanding Dec. 31, 1938 (approved and unapproved)	12, 061	45, 286, 515

FEDERAL LAND BANK LOANS

The Federal land banks may make loans for their own account only on the security of first mortgages on farm land. Loans may not be made in excess of 50 percent of the appraised normal value of the land mortgaged, plus 20 percent of the appraised value of the permanent, insured improvements. Not more than $50,000 may be loaned to any one borrower and applications for loans of more than $25,000 must be submitted to the Land Bank Commissioner for approval. Under the provisions of the Farm Credit Act of 1935, land bank loans may be made under certain conditions to corporations engaged in raising livestock. Prior to that time, only individuals—"natural persons"—were eligible to become borrowers.

PURPOSES

Land bank loans may be made for the following purposes: (*a*) To purchase land for agricultural uses; (*b*) to buy equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; (*c*) to provide buildings and to improve farm land; (*d*) to liquidate any indebtedness of an eligible borrower if the debt was incurred prior to January 1, 1937, and to liquidate debts incurred for agricultural purposes without regard to the time when such a debt was incurred; and (*e*) to provide the owner of the mortgaged land with funds for general agricultural uses.

LOANS TO PURCHASE FARMS

During the year 1938 the Federal land banks and the Land Bank Commissioner made 4,925 loans which involved the purchase of land. The total amount allocated to land purchase was $16,683,000, or 21.2 percent of total loans made during 1938. A considerable proportion of these loans were made to young farmers and tenants who had saved enough money to make down payments on their own farms.

INTEREST RATES

Without the approval of the Governor of the Farm Credit Administration the interest rate on Federal land bank loans made through national farm loan associations may not exceed by more than 1 percent the interest rate on the last issue of farm loan bonds.[1]

The contract rate of interest on new loans made through national farm loan associations during 1938 was 4 percent. In accordance with the law, interest rate on direct loans is fixed one-half of 1 percent higher than the rate on loans made through national farm loan associations.

The Farm Credit Act of 1937 provides that under special conditions land bank loans may be made through the national farm loan associations whose capital stock is impaired. The interest rate on loans through these associations is fixed at one-fourth of 1 percent less than the rate on direct loans.

As a result of the Emergency Farm Mortgage Act of 1933 and subsequent legislation, borrowers through national farm loan associations have paid interest on their loans at the temporary rate of 3½ percent instead of the contract rate written in their mortgages. The temporary rate for direct loans has been one-half of 1 percent higher. Under the provisions of the existing law, the temporary interest rate of 3½ percent will continue until June 30, 1940.

During 1938 this reduction in interest resulted in savings of $30,925,235 to land bank borrowers. The Federal land banks are reimbursed for the amount of such interest reductions by the Secretary of the Treasury.

VOLUME

During 1938, 14,171 Federal land bank loans were closed in the amount of $51,418,472, and on December 31, 1938, 628,781 Federal land bank loans, amounting to $1,982,224,007, were outstanding. The number and amount of loans closed during 1938 and outstanding at the end of the year, by States, appear in table 6 of the appendix.

[1] Because of special hazards connected with loans on lands used for the production of naval stores, loans made on lands used to produce livestock in cases where leases or permits for the use of other lands is considered in determining the amount of the loan, and loans on farm property in cases where a substantial part of the earnings comes from orchard crops, the Governor of the Farm Credit Administration has authorized a ½ percent higher interest rate on such loans.

Figure 4 below shows the amount of Federal land bank loans closed, by years, since the date of organization of the banks and the amount outstanding at the close of each year.

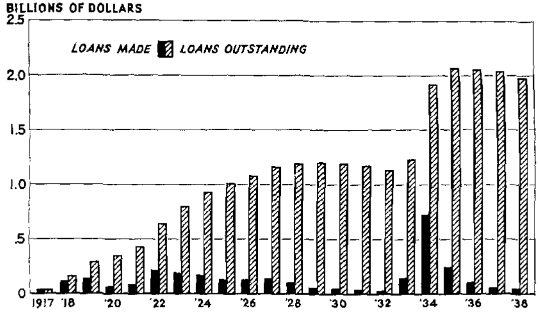

FIGURE 4

MORTGAGE LOANS MADE BY THE FEDERAL LAND BANKS AND LOANS OUTSTANDING

COLLECTIONS

Despite crop failures which occurred in large areas and the lower prices received for many farm commodities, there was only a small decrease in the percentage of loans on which all matured installments were paid on December 31, 1938, compared with similar figures at the end of 1937.

The following table shows the status of all land bank loans on December 31, for the years 1936 to 1938, inclusive:

Status of Federal land bank loans outstanding Dec. 31, 1936, 1937, and 1938

Status of loans	Dec. 31, 1936		Dec. 31, 1937		Dec. 31, 1938	
	Number of loans	Percent of total	Number of loans	Percent of total	Number of loans	Percent of total
Classified as not delinquent:						
Loans with all matured installments paid in full	495,959	77.5	504,652	79.4	484,959	77.1
Loans with all unpaid installments extended, with no delinquency in extensions	48,438	7.6	29,897	4.7	17,931	2.9
Total	544,397	85.1	534,549	84.1	502,890	80.0
Classified as delinquent: Loans with matured installments unpaid and loans with delinquent extensions	95,431	14.9	101,227	15.9	125,891	20.0
Total loans outstanding	639,828	100.0	635,776	100.0	628,781	100.0

Payments on the principal portion of Federal land bank loans during 1938 totaled $43,704,758, which is an increase of $4,032,933 over principal payments received during 1937. This increase is attributable to a considerable extent to the fact that the privilege of deferring principal installments as provided by the Farm Credit Act of 1935 expired on July 11, 1938. Borrowers who otherwise might have deferred the payment of the principal portions of their installments which matured subsequent to this date found it possible to meet their full installments in accordance with the terms of the original mortgage. In addition, 11,068 Federal land bank loans totaling $25,881,316 were paid in full.

CONDITIONAL PAYMENTS.

Under the provisions of the Farm Credit Act of 1937, Federal land banks were authorized to accept conditional payments in connection with their loans as a means of allowing borrowers to build up a reserve out of which subsequent installments on their loans could be paid. At the close of 1938, conditional payments amounting to $43,508 were on deposit with the Federal land banks.

EXTENSIONS

Whenever a borrower is able to pay, he is expected to do so. The cases of borrowers who are unable to pay, but whose circumstances indicate that they are worthy of further consideration, are handled on an individual basis. If the circumstances indicate that the borrower cannot meet his payments currently but that he is doing his honest best; is applying his income—over and above reasonable operating and living expenses—to the payment of his primary obligations; is taking proper care of the farm and has the capacity to carry and repay a reasonable burden of debt under normal conditions; and is making satisfactory progress, the Federal land banks offer a plan of payment which will best meet his needs in giving the borrower an opportunity to continue the mortgage. During 1938 the Federal land banks granted 45,011 extensions and reextensions totaling $20,499,123.

REAL ESTATE

The amount of real estate acquired continued to decline during 1938. During the year, 8,414 farms were acquired outright or by sheriffs' certificates, judgments, etc., as compared with 9,969 in 1937 and 14,652 in 1936. During the year the Federal land banks have continued to make special efforts to dispose of acquired real estate and have sold or otherwise disposed of 11,510 farms or parts of farms for a total consideration of $26,133,445. These figures compare with 15,280 farms or parts of farms sold for a total consideration of $37,805,652 in 1937 and 15,021 farms or parts of farms sold for a total consideration of $35,227,788 in 1936. The decrease in the number of disposals during 1938 may be attributed to the unfavorable agricul-

tural conditions prevailing during 1938 and to the great reduction in the amount of real estate held by some of the banks during 1936 and 1937, which left these banks with fewer farms available for sale. The banks have learned by experience that it is to their best interest to sell all acquired real estate promptly at prices consistent with values in the prevailing markets. The number of farms sold by years is indicated by figure 5.

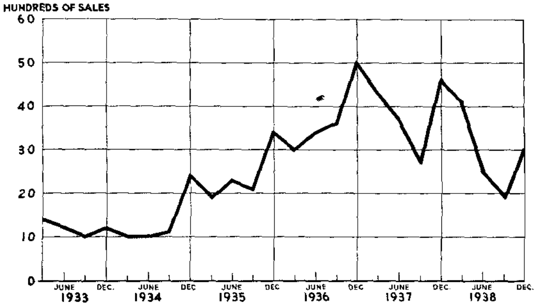

FIGURE 5

NUMBER OF FARMS SOLD BY THE FEDERAL LAND BANKS

The banks have been successful in reducing the real estate inventories by 1,814 farms during 1938 due to a decline in acquisitions and a good volume of sales. On December 31, 1938, the Federal land banks owned, either outright or subject to redemption, 24,024 farms with a carrying value of $78,514,974. This compares with 25,838 farms owned outright or subject to redemption with a carrying value of $86,957,443 at the close of 1937. A summary of the real estate operations conducted by the 12 Federal land banks during each of the years 1936 to 1938 is given below:

Farms, sheriffs' certificates, etc., acquired and disposed of by the Federal land banks during 1936, 1937, and 1938

Item	1936	1937	1938
Acquisitions:			
Number	14,652	9,969	8,414
Investment	$56,686,891	$36,859,995	$32,341,697
Disposals:			
Number (including parts of farms)	15,021	15,280	11,510
Investment	$47,409,011	$49,354,988	$36,101,011
Consideration	$35,227,788	$37,805,652	$26,133,445
Ratio consideration to investment (percent)	74.3	76.6	72.4
Average percent cash received at time of sale	19.3	21.4	17.4

Additional data covering the real estate activities of the banks during 1938 may be found in tables 11 and 12 of the appendix.

FINANCE

The condition of Federal land bank loans reflected to a slight degree the lower farm prices and generally less favorable agricultural conditions prevailing during 1938. Loans with all matured installments fully paid by borrowers were 77.1 percent of the total number outstanding on December 31, 1938, as compared with 79.4 percent the year before. Similarly, the total investment in real estate, sheriffs' certificates, and loans called for foreclosure on December 31, 1938, was $144,426,591 which was $5,863,525 more than a year ago.

The volume of outstanding loans decreased in the net amount of $53,082,741 during 1938, which compares with a net decrease of $28,851,196 during 1937. This reflects both a continued increase in the amount of principal payments by borrowers as well as a reduced demand for new loans.

Principal asset and liability items of the Federal land banks, Dec. 31, 1937 and 1938

	Dec. 31, 1937	Dec. 31, 1938
ASSETS		
Mortgage loans	$2,033,542,365	$1,976,716,564
Purchase money mortgages and contracts	83,710,806	87,994,184
Extensions [1]	22,243,585	21,231,407
Delinquent installments [1]	8,438,583	[2] 16,332,569
Accrued interest receivable (not due)	29,912,882	28,993,680
Cash and Government securities	93,327,562	101,174,802
Due from the Secretary of the Treasury	12,625,252	9,634,824
Real estate	96,775,640	99,769,463
Sheriffs' certificates, etc.[3]	21,406,586	15,786,529
Loans called for foreclosure, judgments, etc	20,380,840	28,870,599
Other assets	19,025,030	18,892,635
Total assets	2,441,389,131	2,405,397,236
LIABILITIES		
Farm loan bonds outstanding [4]	$1,797,435,180	$1,762,054,000
Matured obligations	9,638,934	4,877,207
Notes payable	82,566,361	40,348,000
Accrued interest payable (not due)	19,975,849	19,505,496
Other liabilities	19,057,756	13,842,456
Valuation reserves	51,410,365	64,279,208
Capital stock	237,965,510	238,289,711
Paid-in surplus	160,426,168	183,309,627
Legal reserve	43,102,952	49,868,054
Reserve for contingencies	10,862,562	18,529,323
Earned surplus	8,500,000	5,000,000
Undivided profits	447,494	5,494,154
Total liabilities	2,441,389,131	2,405,397,236

[1] Partial payments deducted.
[2] Includes delinquent installments on purchase money mortgages, contracts, etc.
[3] Judgments, etc., were included in this item Dec. 31, 1937.
[4] Excludes bonds on hand.

The changes in the financial condition of the 12 Federal land banks during 1938 are indicated in the above condensed statement which shows the principal assets and liabilities of the banks as of December 31, 1937, and December 31, 1938. A more detailed consolidated statement of condition appears as table 20 in the appendix.

BOND RETIREMENTS

During 1938, individual farm loan bonds in the amount of $36,744,460 were called for payment or retired. Of this amount, $22,669,600 carried an interest rate of 4 percent and the remainder, $14,074,860, had rates of interest of 4¼ and 4½ percent. These bonds were paid off principally from cash on hand and the balance was derived from the proceeds of short-term loans from commercial banks and the Federal Farm Mortgage Corporation. It is expected that the indebtedness to commercial banks and the Federal Farm Mortgage Corporation incurred in connection with these bond redemptions will be retired from borrowers' payments on mortgage loans. On December 31, 1938, there remained outstanding only $737,280 of individual farm loan bonds, bearing an interest rate of 4½ percent, all of which become callable during 1939.

The following table summarizes the changes in the amounts of farm loan bonds outstanding during the year 1938:

Amount of consolidated and individual farm loan bonds issued and retired in 1938, and amounts outstanding Dec. 31, 1937 and 1938

Item	Individual farm loan bonds	Consolidated farm loan bonds	Total
Bonds outstanding Dec. 31, 1937	$37,481,740	$1,829,750,340	$1,867,232,080
Less bonds on hand Dec. 31, 1937	1,104,700	68,692,200	69,796,900
Net bonds outstanding Dec. 31, 1937	36,377,040	1,761,058,140	1,797,435,180
Bonds issued during 1938		8,640,000	8,640,000
Bonds retired during 1938	36,744,460	25,290,100	62,034,560
Bonds outstanding Dec. 31, 1938	737,280	1,813,100,240	1,813,837,520
Less bonds on hand Dec. 31, 1938	29,620	51,753,900	51,783,520
Net bonds outstanding Dec. 31, 1938	707,660	1,761,346,340	1,762,054,000

Bonds outstanding each year from 1928 to 1938, classified according to interest rates, together with the average interest rate prevailing during each year, are presented in figure 6.

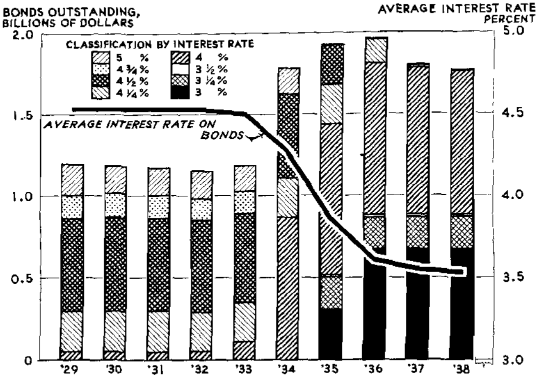

FIGURE 6

FARM LOAN BONDS OUTSTANDING AND THE AVERAGE INTEREST RATE THEREON

The Federal land banks are jointly and severally liable for the payment of principal and interest on consolidated farm loan bonds. Neither consolidated bonds nor those issued individually by the banks are guaranteed in any way by the Federal Government. However, both types of bonds and the income derived from them are exempt from Federal, State, municipal, and local taxation.

The collateral statement which appears in appendix table 16 shows that on December 31, 1938, the Federal land banks had pledged as security for individual and consolidated farm loan bonds collateral amounting to $1,977,025,627. Bonds outstanding (including bonds on hand and matured or called bonds) amounted to $1,817,971,165, leaving an excess of pledged collateral amounting to $159,054,462.

During 1938 all indebtedness of the Federal land banks to the Reconstruction Finance Corporation was paid off. During the same period, notes payable to the Federal Farm Mortgage Corporation and commercial banks were reduced by $30,652,000, leaving $40,348,000 of such indebtedness outstanding on December 31, 1938.

CAPITAL

Capital stock of the Federal land banks which was outstanding on December 31, 1938, aggregated $238,289,711. Of this amount, national farm loan associations owned $109,693,516, or 46 percent, the United States Government owned $124,960,250, or 52.5 percent, and the remainder of $3,635,945 was owned by direct borrowers and by borrowers through agents.

Under an amendment to the Federal Farm Loan Act, approved January 23, 1932, the Secretary of the Treasury on behalf of the United States subscribed to $125,000,000 of additional capital stock in

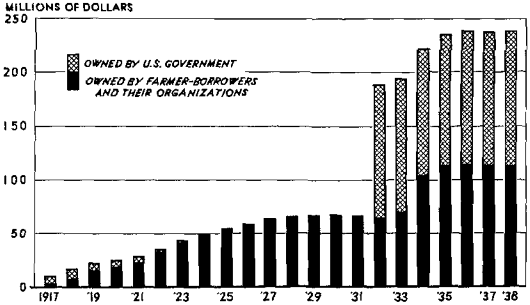

FIGURE 7

OWNERSHIP OF FEDERAL LAND BANK STOCK

the Federal land banks. This stock is to be retired in the same manner as the original stock except that 25 percent of the proceeds of stock subscribed by direct borrowers also is used to retire Government-owned stock. In addition, however, the law provides that all repayments on account of such stock shall be held in the Treasury of the United States as a revolving fund from which further subscriptions to capital stock may be made.

At the beginning of the year a balance of $878,405 was available in the capital stock revolving fund. Repayments to the fund during 1938 aggregated $6,661,345, and resubscriptions to the capital stock of the banks amounted to $7,500,000. The amount of capital stock in each Federal land bank owned by various classes of stockholders as of December 31, 1938, is presented in table 17 of the appendix. This is also shown graphically by figure 7.

PAID-IN SURPLUS AND RESERVES

In accordance with the provisions of the Emergency Farm Mortgag Act of 1933, the United States Government during 1938 made sub scriptions to the paid-in surplus of the banks under the terms o extensions and deferments in the amount of $22,883,459, bringing th total amount of such subscriptions to $183,309,627 on December 31 1938. With the expiration of the deferment period on July 11, 193 subscriptions to the paid-in surplus of the banks were made thereafte only on the basis of extensions. Under the provisions of the Farr Credit Act of 1937, the paid-in surplus was converted into a revolvin fund similar to that of the capital stock.

During 1938 important changes were made in the reserve policy o the banks. Formerly, reserves against mortgage loans were main tained on an inventory basis and amounts transferred to and fron

Condensed profit and loss statement of the Federal land banks

Item	1937	1938
Earnings:		
Interest on mortgage loans	$104,597,418	$101,642,60
Interest—Other	6,928,423	9,388,51
Other income	511,613	543,04
Total	112,037,454	111,574,16
Deductions from earnings:		
Interest expense	68,286,413	64,105,19
Operating expense	14,641,675	13,064,96
Total	82,928,088	77,230,16
Net operating earnings	29,109,366	34,344,00
Other earnings:		
Mortgage loan and real estate transactions	1,975,597	877,73
Premium and discount on securities (amortized) and profit on securities transactions	581,048	824,10
Miscellaneous	309,286	380,39
Total	2,865,931	2,082,23
Other deductions:		
Mortgage loan and real estate transactions	11,674,601	9,591,27
Premium and discount on securities (amortized), and loss on securities transactions	1,110,799	1,033,203
Miscellaneous	85,625	69,459
Total	12,871,025	10,693,932
Net profit before adjustment of reserves	19,104,272	25,732,306
Adjustment of reserves (net)	5,468,640	12,869,843
Adjustment—deferred income on real estate sales		+3,115,060
Total adjustments	5,468,640	9,753,783
Net profit after adjustment of reserves	13,635,632	15,978,523

them fluctuated as a result of both seasonal factors and economic conditions. The revised reserve policy contemplates placing the reserves on a loss experience basis. Following this change in policy, the reserves previously maintained against delinquent installments and extensions were replaced by a general reserve against the total of first mortgage loans, purchase money mortgages, real estate sales contracts, and items related to these accounts, such as installments, extensions, and advances. Since losses on purchase money mortgages and real estate sales contracts are to be covered by this reserve, the deferred income account on real estate sales was eliminated.

A consolidated profit and loss statement of the Federal land banks for the year 1938 appears as table 21 in the appendix. The above condensed statement compares the earnings for 1937 and 1938.

The total of valuation reserves, paid-in surplus, legal reserve, reserve for contingencies, earned surplus, and undivided profits amounted to $326,480,365 on December 31, 1938, as compared with $274,749,541 on December 31, 1937.

Interest on mortgage loans decreased $2,954,813 in 1938, while operating expenses including interest expense were $5,697,927 less in 1938 than in the previous year.

APPRAISALS

Of the 501 land bank appraisers in the service on December 31; 1938, 417 were employed in field work and the remainder were assigned to the offices of the reviewing appraisers in the various farm credit districts and in the appraisal subdivision at Washington.

The appraisal subdivision in Washington is responsible for the continued training and development of the appraisal force and has general supervision of the work which includes appraisals in connection with loan applications, partial releases of security, reappraisals of properties acquired by the banks, and similar activities. The appraisal subdivision in Washington is also responsible for the analysis of mortgage loans submitted by the banks as collateral for bonds which must be approved by the Farm Credit Administration before becoming eligible collateral.

Appraisal studies continued by the appraisal subdivision during the year included investigation of loan problems in connection with range livestock and specialized farms such as poultry, truck, citrus, and deciduous fruits.

Engineer-appraisers continued their investigation of the physical and economic factors affecting the appraisal of lands in special improvement districts and other areas. A number of reinvestigations were

carried on to provide up-to-date information needed to determine loan policies in such districts. Other studies by the engineer-appraisers have dealt with the effect of floods on valley lands, the recession of ground water in relation to the supply of irrigation water, and the effect of rainfall on drainage requirements.

During the year a general meeting of the reviewing appraisers from all districts was arranged by the Washington staff. At this conference, important problems relating to appraisal and loan procedures were discussed, especially land and building valuations, prudent investment loans, and loans on specialized farms. In addition, a number of district conferences were conducted at which groups of appraisers were called in to discuss special problems in their territories.

During the year the Farm Credit Administration has cooperated with other Government agencies engaged in agricultural credit and rehabilitation programs. The appraisal subdivision has cooperated in this work by furnishing advice and trained personnel.

NATIONAL FARM LOAN ASSOCIATIONS

National farm loan associations are chartered in accordance with the provisions of the Federal Farm Loan Act, as amended, and operate under the supervision of the Farm Credit Administration.

The associations are cooperative credit organizations through which Federal land bank loans normally are made. They are composed of groups of farmers who organize and, by the assumption of certain mutual responsibilities, provide a means of obtaining long-term mortgage credit for their community. The farmer-borrower who obtains a Federal land bank loan through a national farm loan association subscribes for shares of stock in the association equal to 5 percent of the amount of his loan. The association, in turn, subscribes for an equal amount of the stock of the Federal land bank.

The association endorses and thereby becomes liable for the payment of all mortgages given by its members to secure the loans obtained from the Federal land bank through the association. The borrowers' stock is held by the association as collateral security for the loan and the stock of the Federal land bank—subscribed for by the association—is pledged with the bank as collateral to secure the association's endorsement.

REBUILDING OF NATIONAL FARM LOAN ASSOCIATIONS

The program for developing a Nation-wide plan for reestablishing the responsibilities of national farm loan associations and placing them on a sound, self-supporting basis was continued during the year 1938. This program includes the extension of arrangements to group associations in local servicing units covering logical trade areas and consolidation projects to eliminate overlapping territories.

As of December 31, 1938, 3,846 of the 4,028 active associations ha accepted the responsibility of servicing loans of their members und plans of allowances made available by the Federal land banks. The allowances have provided the associations with income sufficient enable them to meet the necessary expenses of performing the servicin job and to function on a sound basis.

The following table shows the number of associations in all far credit districts operating under servicing plans, individually, or und group management arrangements, as of December 31, 1937, an December 31, 1938:

Type of operation	Associations		Offices	
	Dec. 31, 1937	Dec. 31, 1938	Dec. 31, 1937	Dec. 3 1938
Single allowances	822	953	822	
Group management arrangements	3,064	2,893	828	
Total	3,886	3,846	1,650	1,

The Farm Credit Act of 1937 makes possible through section 25 (a more economical servicing of loans by associations. Under the pr visions of this section any national farm loan association, with th approval of the Federal land bank of the district, may enter into a agreement with another association operating in the same or adjace territory under which the latter will be permitted to service loa made by the first association. The servicing of loans under su arrangements should result in effecting material savings and the eli ination of overlapping of territory with respect to the servicing loans by associations. During 1938, 28 associations agreed to servi loans on behalf of other associations under this section of the act.

Marked progress has been made during the past year in effecting th consolidation of two or more associations into a single associatio The consolidation of associations has resulted in establishing strong individual associations which are in a position to function more effe tively. In addition, it has made possible further substantial savin in operating costs of the associations and the Federal land bank The present consolidation program was inaugurated in Novemb 1935. From that date to December 31, 1938, 368 associations ha been organized through the consolidation of 1,063 associations, resul ing in the elimination of 695 former associations. During 1938, 2 consolidations involving 652 associations were completed. Tentati approval had also been given to 149 proposed consolidations, involvi 409 associations. On December 31, 1938, these cases were pendi action by the associations and the granting of the charters by the Fa Credit Administration.

The Farm Credit Act of 1937 provided a further means of effectin the rehabilitation of associations and of continuing the usefulness impaired associations. Section 25 (b) of the act provides that whe ever it shall appear the capital stock of an association is impaired, th Farm Credit Administration may authorize the Federal land ban of the district in which the association is located to make loans t applicants through the association subject to the following terms an conditions:

Each new borrower becomes a member of the association; subscribe to the stock of the Federal land bank of the district in an amoun equal to 5 percent of his loan, and pays a rate of interest one-fourth o 1 percent below the rate on direct loans. When there are 10 or mor such borrowers with loans in good standing aggregating not less tha $20,000, it is provided they shall become mutually liable for eac other's loans; stock of the bank is exchanged for stock in the associa tion; and their interest rate shall be reduced one-fourth of 1 percen after the next installment date. The new members and old member of the associations will be in separate groups, with separate issues o stock. Earnings from operations will be allocated and reserves wi be set up separately; there will be no intergroup liability except fo operating expenses. Provision also is made for a termination of th segregation if and when all impairment in the capital stock of the ol group of borrowers is removed. The method of making loans i supplementary to the other methods provided in the Federal Farm Loan Act and does not prohibit or supplant any of them.

During 1938, 536 associations were authorized to operate unde section 25 (b). This has enabled these associations to function in th interests of farmer-borrowers, to provide the associations with incom from fees on closed loans which would not otherwise be available, an to enable the borrowers to obtain loans at the reduced interest rates

Section 25 (d) of the Farm Credit Act of 1937 provides a metho whereby impaired national farm loan associations under certai conditions may be permitted to pay off and retire their capital stoc at its fair book value upon payment in full of the mortgage loan i connection with which such stock was originally issued. The asso ciation with impaired stock may settle on the same basis claims o any former stockholders who have paid their loans in full but hav not received the proceeds of their stock. This section provides fo the appointment of a conservator by the Farm Credit Administratio who will prepare a report on the financial condition of the association On the basis of this report and the recommendation of the Federa land bank of the district, the Farm Credit Administration may fi the fair book value at which stock may be paid off. During the pas year regulations and procedures have been developed for carrying out this section of the act and the Farm Credit Administration and

the banks have made studies in a number of areas for the purpose of determining under what conditions the appointment of conservators appears feasible and advisable.

COORDINATION OF ASSOCIATIONS

The coordination of the activities of national farm loan associations and production credit associations has provided farmers in many areas with single local credit centers through which both long- and short-term credit is made available. An extension of such coordination projects may be possible in the further development of the association program.

DIRECT LOANS

A Federal land bank may make direct loans to farmers upon the authorization of the Land Bank Commissioner in any locality where a national farm loan association has not been formed or where a Federal land bank cannot accept applications through an existing association. Direct loan borrowers are required to purchase capital stock of the Federal land bank in the amount of 5 percent of the loan granted and this stock is held by the bank as collateral security for the repayment of the loan. During 1938 the Federal land banks made 2,289 direct loans to farmers, amounting to $6,522,249. These figures represent approximately 16 percent of the number and 13 percent of the total amount of the Federal land bank loans made to farmers during the year.

MEMBERSHIP RELATIONS

One of the fundamental responsibilities of the Farm Credit Administration is that of promoting a comprehensive membership educational program throughout the Federal land bank system. Since experience has indicated that a well-informed membership in national farm loan associations results in the selection of better qualified and more efficient local management of the associations, the ultimate purpose of this program is the development of the cooperative features of the system. The program is endeavoring to keep association members informed on the condition of their bank and their own associations and to discuss with members their responsibilities as participants in the farm loan system. This has resulted in a better understanding of the purposes and objectives of the system.

ANNUAL STOCKHOLDERS' MEETINGS

The most widespread educational activity has been built around the annual stockholders' meetings of national farm loan associations. The Farm Credit Administration cooperated with the banks in the preparation of publications based upon experience in all the banks. These publications contained suggestions regarding the most effective

methods of presenting information to the association membership concerning the loan activity, operating statement, financial statement, condition of loans, and real estate operations in the individual associations. Each association was provided with copies of this material and large wall-size charts for use in the meetings. In addition to endeavoring to increase the attendance at the meetings during the year, special attention was given to improving the quality of the programs by making them more informative and interesting to tne membership. As a result of the efforts expended, the attendance at 4,286 meetings reported during the year was 167,150, as compared with an attendance of 125,357 at the 4,031 meetings reported in the previous year. Of the total attendance, 108,493, or 66 percent, were association members. The nonmembers attending the meetings included Land Bank Commissioner borrowers, direct borrowers, representatives of various agricultural organizations, members of the families of stockholders, and others.

In some of the districts, national farm loan associations in a group management set-up, having a single secretary-treasurer and a common office, held meetings of the members of all associations in the group for the purpose of considering the financial condition of their Federal land bank, and its policies and problems, as related to the associations. These meetings were almost wholly educational in their objectives and, because of their size, afforded an excellent opportunity for the executive officers of the banks to increase direct contact with the association membership. In one district the attendance at 43 such meetings was 26,200, or an average of 609 per meeting.

GROUP MEETINGS

Group meetings of association officers and directors were held in most of the districts. In some districts these meetings were held in the bank and, in others, at convenient points in the field. Generally these meetings were of 1 or 2 full days' duration. Their purpose was to increase the association officers' and directors' knowledge of the system through a frank discussion of mutual problems of the bank and the associations, thus leading to an increased acceptance of local responsibility and to more efficient management and operation of the associations.

ASSOCIATION BUSINESS REVIEW MEETINGS

Special emphasis has been placed on association business review meetings as the most important contact between the bank and the association. In these meetings representatives of the bank met with the officers and directors of the associations. All phases of the business of the association were given attention. Delinquent loans were carefully reviewed by the directors in an effort to restore these

loans to a current condition at the earliest opportunity or to develop satisfactory payment plans with such borrowers. Whatever action seemed best suited to the needs of the borrowers in default were recommended by the directors on a case basis. With the approval of the bank, the secretary-treasurers were instructed to work with these cases in accordance with the directors' recommendations. An outstanding result of these meetings has been the greater degree of responsibility assumed by the association boards of directors and the improvement in relations between the associations and the bank in handling their mutual responsibilities.

APPRAISAL REVIEW CONFERENCES

The acquisition of desirable new loans has been stimulated by appraisal review meetings with individual association investigators, loan committees, and boards of directors. The purpose of these meetings was to effect a better understanding of appraisal principles and methods, as outlined by law, and what constitutes the type of loan that should receive the endorsement of the association.

PRODUCTION CREDIT CORPORATIONS

The cooperative production credit system for farmers and stockmen authorized by the Farm Credit Act of 1933 has continued its progress during the year under the direct supervision of the Production Credit Commissioner appointed by the President and responsible to the Governor of the Farm Credit Administration in carrying out his official duties. The Production Credit Division of the Farm Credit Administration, under the direct supervision of the Production Credit Commissioner, has devoted its full time during the current year to formulating policies and procedures, and for the most part to assisting the production credit corporations in their credit, operation, and educational programs.

By the Farm Credit Act of 1933 the production credit corporations were given three primary functions to perform, namely, to organize, to assist in capitalizing, and to supervise production credit associations. During the current year, the corporations gave practically all of their time to the third major function, namely, to supervise, since every rural county in the United States is now served by a production credit association with sufficient capital to meet current sound credit demands. The production credit corporations do not make loans to farmers and stockmen, as the production credit associations are the direct lending institutions of the production credit system.

There are 12 production credit corporations, one in each of the farm credit districts. The total capital of these corporations amounts to $120,000,000, ranging in amounts from $8,500,000 in the New Orleans, Omaha, and Houston districts, to $13,500,000 in the Columbia district.

The capital stock of the corporations has been subscribed by the Governor of the Farm Credit Administration and is held by him on behalf of the United States.

The amount of capital stock of a corporation is determined by the credit needs in the district served, and may be increased or decreased by the Governor accordingly. The proceeds derived from the sale of most of their capital stock are used by the corporations in purchasing stock in production credit associations. The law authorizes each corporation to maintain the amount of class A stock of each production credit association in its district at approximately 20 percent of the actual or expected volume of loans made or to be made by the association. The Governor of the Farm Credit Administration may authorize additional purchases by each corporation of class A stock in an association when conditions warrant. As of December 31, 1938, 63.2 percent of the total paid-in capital of the production credit corporations was invested in association capital in the form of class A stock.

The remaining corporation capital is invested in approved securities, income from which is used by the corporations to pay operating expenses and to build necessary reserves. No appropriation of Federal funds has ever been made to pay any part of the corporations' expenses. In addition to income from invested capital the corporations will receive dividends on association capital stock held by them when and if paid. From these earnings the corporations are required to pay operating expenses and restore any losses and impairments of capital. Any excess earnings must be devoted to the creation and maintenance of a surplus equal to at least 25 percent of the paid-in capital of the corporation, and thereafter to the retirement of corporation stock held by the Governor.

Each production credit corporation has a board of directors composed of seven members. These directors constitute what is known as the Farm credit board, and serve as directors of the Federal land bank, the Federal intermediate credit bank, and bank for cooperatives.

The board of directors selects the management of each corporation subject to the approval of the Governor of the Farm Credit Administration. The business of each corporation is conducted under the supervision and control of its board of directors subject to the general supervision of the Governor.

The supervision given the production credit associations by the corporations consists mainly of formulating and carrying out management regulations, general and credit policies, and accounting and office procedures extending credit facilities, and training and educating the officers and employees of the system regarding its various phases.

Each production credit corporation also has given thorough study to the 1939 budget of each production credit association in its district for the purpose of eliminating unnecessary expenditures and reducing

to a minimum the administrative costs of the credit service through the associations.

A consolidated statement of condition of the 12 production credit corporations as of December 31, 1938, appears as table 24 of the appendix.

PRODUCTION CREDIT ASSOCIATIONS

A production credit association is a local cooperative organization of farmers and stockmen chartered by the Governor of the Farm Credit Administration under the provisions of the Farm Credit Act of 1933. Its members consist of farmers and stockmen who obtain their credit requirements from the association. These members elect from among their number a board of directors which controls the business of the association. The directors select an executive committee which consists of two members of the board and the secretary-treasurer of the association. The executive committee acts as the loan committee for the association. The secretary-treasurer is the chief officer of an association and is responsible for carrying out the policies and decisions of the board of directors and the executive committee. The organization, management, and conduct of the business of an association are prescribed by the Governor in its charter and bylaws, and in the rules and regulations issued by the production credit corporation.

NUMBER OF ASSOCIATIONS

There were 532 associations in active operation on December 31, 1938, and 14 which were in the process of liquidation, 8 of which were placed in liquidation prior to January 1, 1938. These associations supply the short-term credit needs to farmers and stockmen throughout the continental United States and Puerto Rico. The policy is to allocate to each association a territory that will provide a sufficient volume of business to permit the association to operate soundly and yet render prompt and convenient service to the borrowers. The size of the territory served by each association, usually including several counties, is governed by the production credit requirements of the area.

There are 15 associations which serve specialized producers such as large range livestock operators and fruit growers. Each of these embraces a wide territory, usually an entire State.

Wherever it becomes evident that an association does not have or appears unlikely to develop a sufficient volume of business to permit it to operate profitably, it is either liquidated or consolidated with another association. If an association suffers losses to the extent that its capital is impaired, and it appears unlikely that its future business will restore such impairment, the directors voluntarily place it in liquidation. This action has occurred in three associations during 1938.

CAPITAL STOCK

The capital stock of a production credit association is divided into two classes, A and B. Class A stock, which is nonvoting and preferred as to assets in case of liquidation, is purchased principally by the production credit corporation but is also available for purchase by private investors. The corporations' class A stock investment in production credit associations as of December 31, 1938, amounted to $75,768,472, or 83.1 percent of the associations' paid-in capital. Other investors, totaling 26,527, held class A stock as of this date, amounting to $404,277.

Class B stock in an association may be purchased only by its member-borrowers, and those eligible to become borrowers. Each borrower through an association must own class B stock in an amount equal in fair book value (not to exceed par) to $5 for every $100 or fraction of $100 borrowed. Class B stock has the sole voting right, and each holder is entitled to only one vote regardless of the amount of stock held. The par value of capital stock of all production credit associations on December 31, 1938, was $91,170,951, of which $14,998,202, or 16.4 percent, represented stock owned by 262,689 farmers and stockmen.

PURPOSES OF LOANS

A production credit association makes loans for any general agricultural purpose where the applicant has a sound basis for credit. The purposes for which loan funds may be used include the production, harvesting, and marketing of crops; the breeding, feeding, and fattening of livestock; poultry raising; repairs, alterations, and improvements to farm buildings; the liquidation of any indebtedness originally incurred for general agricultural purposes; and for other agricultural purposes such as the purchase of seed, feed, fertilizer, spray material, farm machinery, supplies, or livestock, and the hiring of farm labor.

SOURCE OF LOAN FUNDS

An association lends private rather than Government funds. The proceeds from the sale of an association's capital stock are not loaned but are invested in approved securities which are pledged with the Federal intermediate credit bank of the district as additional collateral for their loans and discounts. An association discounts the farmers' notes with the Federal intermediate credit bank of the district. The notes become a part of the collateral for the bank's debentures sold in the investment markets to insurance companies, banks, individuals, or corporations. Thus the system is designed to enable farmers collectively to reach the central money markets so they may obtain credit at a reasonable cost.

SIZE OF LOAN

The amount of money a farmer or stockman may borrow from a production credit association depends to a large extent on how much he needs to carry on his operations, his financial condition, and his ability to repay the loan. Original loans cannot be made for amounts less than $50. No one borrower may be indebted to an association at any time in an amount in excess of 20 percent of its paid-in capital and guaranty fund unless the loan is approved by the corporation and no one borrower shall be indebted to an association in an amount in excess of 50 percent of its paid-in capital and guaranty fund unless the loan is approved by the Production Credit Commissioner.

BUDGETED LOANS

Generally loans are made on a budget basis; that is, the money is disbursed to the member as he needs it. Repayments also may be made in installments as the crops or livestock are sold. Since interest is paid on each dollar only for the time it is outstanding, this procedure keeps the interest charges at a minimum. The budget plan also insures the member adequate funds at the time they are needed. All loans are required to be adequately secured and have a satisfactory repayment plan.

MATURITY

Loans are made to mature at the time the livestock or crops financed are marketed, and in any event must mature within 1 year. If the security and other credit factors remain satisfactory, the outstanding balance on some types of loans, particularly those made to finance livestock operations, may be renewed for not more than a year. Dairy loans are usually repaid in installments from regular milk or cream checks. The outstanding balances may be renewed from time to time if the payment record and security are satisfactory, but they may not extend over a period of more than 3 years from the date of the original loans. What constitutes ample security for a loan depends upon the type of agricultural enterprise financed and the financial position and repayment ability of the individual borrower.

INTEREST RATE

By regulation a production credit association may not charge a rate of interest more than 3 percent above the discount rate of the Federal intermediate credit bank. In May 1934 the discount rate was lowered to 2 percent, and the interest rate charged by the associations, therefore, was reduced to 5 percent a year. The 5-percent rate has been in effect since that date. In addition to the interest

charged, applicants pay reasonable loan service fees to cover the cost of having a representative of the association visit the farm as well as other costs incident to making a loan.

CASH LOAN FUND

The production credit associations have continued the use of the cash loan fund to expedite their lending functions. This fund is obtained by utilizing cash on hand or by borrowing direct from the Federal intermediate credit bank of the district. Within prescribed limits, a member may get the proceeds of his loan as soon as it is approved by the association without awaiting the forwarding of his note to the Federal intermediate credit bank for discount. Notes offered to the credit bank which are not discounted by that institution and which cover loans already made by an association, are carried by the association itself until placed in discountable condition or collected.

On December 31, 1938, the total indebtedness of the production credit associations to the Federal intermediate credit banks for loans and discounts amounted to $140,884,409, of which $16,881,690 represented direct loans secured by bonds purchased with the proceeds from the sale of the associations' capital stock. The total amount of discounts with the banks as of December 31, 1938, represented 83.8 percent of the total balance of loans outstanding in the associations. The remaining 16.2 percent of loans outstanding were not discounted, but were carried directly by the associations.

VOLUME OF LOANS

The credit services available to farmers and stockmen through production credit associations have been increasingly used during each year of their operation. There were 243,484 loans made during the year 1938. Advances on these loans, including renewals, aggregated $302,622,809 while during 1937, 245,799 loans were made and similar advances aggregated $286,577,842. Since their organization the associations have closed a total of 1,078,180 loans, advances on which, including renewals, aggregated $1,120,840,034 to December 31, 1938. Practically all renewals are extensions of credit to finance range livestock, dairy, or general farming operations which, because of their continuing nature ordinarily require credit for a longer period than that for which initial loans are made by the associations.

As of December 31, 1938, there were outstanding 156,851 loans aggregating $148,036,721, compared with $138,168,896 on the same date a year earlier.

Table 26 of the appendix shows the number of applications received and the number and amount of loans closed during 1938 and loans outstanding at the year's end in each State.

Table 27 of the appendix gives additional information on applications received, loans closed, and loans outstanding for specific periods from organization to December 31, 1938.

CREDIT EXAMINATIONS

Once each year a thorough examination is made of each association to determine the quality of each outstanding loan; to carefully appraise the lending, loan supervision, and collection procedures; and to observe the ability and performance of all personnel handling the credit work. These "credit examinations" are made by experienced and specially trained examiners. The examination standards and procedure are prescribed by the Production Credit Commissioner under whose general direction the examinations are conducted by the 12 corporations in their respective districts.

The loans are classified according to their collectibility, with recommendations for improving the status of each criticized loan. On doubtful loans a valuation reserve is recommended which will reduce to a collectible sum the amount at which such loans are carried on the books of the association. In addition to being of assistance to the management of each association in effecting needed improvement in their lending operations, the facts assembled during the examinations are helpful to the corporation in supervising the affairs of the associations and in planning future employee-training meetings. Periodically during the year the corporations check the progress being made by each association in placing into effect recommendations contained in the examination reports.

INCOME AND EXPENSE

During the year 1938, 283 associations operated on income from members, which is exclusive of earnings resulting from the capital invested in the associations by the production credit corporations. This may be compared with 264 associations during 1937. Total income of all production credit associations for the year 1938 amounted to $10,240,885; of this amount $6,857,708 represented operating income (net interest income from loans, loan service fees, and miscellaneous income) and the remaining $3,383,177 represented income from the investment of class A and class B stock proceeds and accumulated earnings. Total operating expenses, excluding charge-offs and provision for estimated losses, amounted to $6,273,209. Net earnings before consideration of losses charged off and provision for estimated losses amounted to $3,967,676. After consideration of charge-offs and estimated losses represented by valuation reserve adjustments, which amounted to $1,441,193, net income for the year totaled $2,526,483. The total legal reserves of all active associations amounted to $11,190,702 on December 31, 1938, or 12.8 percent of total capitaliza-

tion. Provisions for estimated losses on the same date amounted to $2,306,063.

The total cash advances by associations from date of organization to December 31, 1938, aggregated $883,340,122, and the total net charge-offs during the same period, plus valuation reserves as of December 31, 1938, amounted to $3,578,782, or four-tenths of 1 percent.

Table 28 of the appendix shows by districts as of December 31, 1938, total cash advanced from organization to December 31, 1938; the total valuation reserves; the net charge-offs from organization; the percent that total valuation reserves, plus net charge-offs, is of total cash advanced; the total loans outstanding; the total legal reserves and undivided profits; and the percent that total legal reserves and undivided profits are of total loans outstanding.

Table 30 of the appendix shows the combined statement of condition of all the associations on December 31, 1938.

MANAGEMENT AND OPERATION STUDIES

The production credit corporations, in cooperation with the associations, have continued the study of association management and operating procedures. As of December 31, 1938, 248 individual association studies had been made which resulted in a more efficient and convenient credit service to members through the elimination of duplicated effort, refinement of procedures, and better allocation of duties among association personnel. Plans have been formulated for continuing these studies in the remaining associations during 1939 and for making follow-up studies at intervals thereafter recommending such changes in operations as will further improve the efficiency of the service and result in a more economical procedure.

FIELD OFFICES

Since the territory served by each association usually include several counties, it is necessary to bring the credit service to thos farmers and stockmen located far from the association headquarters Therefore, a policy of having local representatives at convenient place throughout the territory to assist in rendering the credit service obtainable from the association has been adopted. During 1938 th field organization was expanded to where, as of December 31, 193 there were 1,558 field offices maintained, of which 239 were open fc business at all times during the year, and 370 offices during pea lending periods. The other 949 offices perform limited services suc as taking applications or receiving loan repayments. In addition t these offices there are 1,341 field representatives who maintain n office other than that at their homes, but whom borrowers and appl cants may contact for information or for obtaining such services

filing loan applications or making loan repayments. It is the purpose of the associations to make their services available to all potential members within the territory served as promptly and conveniently as is consistent with reasonable cost to the association.

FEDERAL EXAMINATIONS

Each production credit association, including those in process of liquidation, were examined during the year by a Federal examiner of the Washington office. The scope of these examinations included an audit of the associations' books and records and a check of their procedures to ascertain whether they were in conformity with established rules and regulations prescribed for associations. These Federal examinations, supplemented by the credit examinations, give a complete analysis of an association's operations, including the status of its loans and discounts during the year.

EMPLOYEE TRAINING PROGRAM

An efficient and well-trained personnel is essential in the production credit system if the production credit associations are to render the best possible service to the farmers and stockmen who are members of the associations and to other farmers and stockmen who may wish to become members. A comprehensive training program for employees, to supplement their regular work, is regarded as the best method of developing such a personnel.

A program, designed for all corporation and association employees, was launched during the year. Material was completed for four training courses, each of which is to be presented to the employees in a series of 2-day conferences. One course deals with the Farm Credit Administration and the production credit system; another with credit principles and the analysis of farm businesses; and the remaining two pertain to association operations and procedures, and membership education and public relations.

These courses were prepared by the operating men and it is intended that they shall be presented to the employees by the operating personnel.

The four courses were given to the employees of the Production Credit Division in Washington. The first course dealing with the Farm Credit Administration and the production credit system was presented to the employees of the 12 production credit corporations and to the directors and secretary-treasurers of all of the production credit associations at their regular group conferences held during the summer months. At the request of these directors, the course has been presented to the employees of their associations in 9 of the 12 farm credit districts. In the other 3 districts, the course has been

presented to the employees of most of the associations and will be presented to the others early in 1939.

Most districts conducted training schools for association representatives in an effort to teach them how to make their field work with members most effective and to further increase the efficiency of their credit service.

MEMBERSHIP EDUCATION

The program of further informing the members of production credit associations about the associations' operations so that they may assume increased responsibilities in connection with such operations was further improved. One of the important features of this program is the annual meeting held by each association. At these meetings reports are presented by the aid of large wall charts showing the financial progress of the association, the amount and sources of the association's income, and the detailed expenses of its business. At these meetings the members also elect the directors from among their number, and transact other business that is brought before the meeting.

In 1938, 142,609 persons attended the annual meetings of 534 production credit associations, or an average attendance per meeting of 267.

This compares with 115,496 persons and an average of 211 persons per meeting during the preceding year. Twenty-nine percent of the members attended these meetings in 1938, and many of them brought their wives, as indicated by the 31,029 women who were present. The large attendance of women indicates the growing recognition that credit for the farm and ranch is a family problem.

Members of practically all associations were supplied with printed annual reports which showed in simplified form the income and expenses of the association, as well as the financial statement of their short-term credit cooperative. Many associations sent their members midyear progress reports in order to keep them in closer touch with the associations' activities. Still other associations sent their members educational material enclosed with their regular necessary business correspondence.

DIRECTOR EDUCATION

Educational work with associations' boards of directors was carried on, both in the group conferences and in individual contacts with associations' boards of directors, by officers and other representatives of the production credit corporations. During the year 85 group conferences, attended by 2,131 directors and all secretary-treasurers of production credit associations, were held throughout the country. The directors are intelligently assuming increased responsibilities in connection with their associations' operations.

FEDERAL INTERMEDIATE CREDIT BANKS

The 12 Federal intermediate credit banks were established in 1923 ınder title II of the Federal Farm Loan Act, as permanent institutions o provide a dependable source of funds for the use of financing ıstitutions making short and intermediate-term loans to farmers ınd stockmen and to make loans to farmers' cooperative associations n the security of staple agricultural commodities. Although the redit banks were organized to fill a long-felt need of agriculture, hey were not intended to engage in emergency or relief financing ut rather to extend sound credit for constructive purposes.

In order to make this source of funds available, the credit banks re authorized to discount notes given by farmers and stockmen to roduction credit associations, regional agricultural credit corporaions, State and national banks, privately capitalized agricultural redit corporations, incorporated livestock loan companies, and imilar organizations. Such notes must be endorsed by the financing astitution offering them for discount. They may make loans to such ıstitutions on the security of paper eligible for discount and to prouction credit associations and banks for cooperatives on the security f such collateral as may be approved by the Governor of the Farm Credit Administration.

The Federal intermediate credit banks are not authorized to make oans to individuals. Prior to 1934, except for the period during which he regional agricultural credit corporations (emergency institutions ow in liquidation) rediscounted paper with these banks, farmers and tockmen were able to obtain the benefit of the production credit eature of the act only to the extent that privately capitalized financıg institutions, including commercial banks, availed themselves of he facilities of the credit banks. However, with the establishment f a Nation-wide system of production credit associations under the rovisions of the Farm Credit Act of 1933, the credit banks' field of ervice was broadened to embrace all parts of the country through ıe discounting of the major portion of the loans made by the assoiations.

The Federal intermediate credit banks may make loans to farmers, ooperative marketing, purchasing, and business service associations. They are authorized, also, to discount loans made to such cooperatives when endorsed and offered for discount by the banks for cooperatives. Most of the loans to cooperative associations on the security of comıodities now are made by the banks for cooperatives and the larger f such loans are offered by them to the intermediate credit banks for iscount. The credit banks do not discount physical facility or perating capital loans for these banks.

In rediscounting commodity paper a bank for cooperatives deals ith the intermediate credit bank in its district. It is customary,

however, for cooperative associations of national or broad regional scope to apply for their needed financing to the Central Bank for Cooperatives in Washington rather than to the district banks. A loan made by the Central Bank of the type ordinarily discounted by the credit banks is offered for discount only to the Federal Intermediate Credit Bank of Baltimore. When the amount involved, or other circumstances warrant, this institution offers to one or more of the other intermediate credit banks the right of participation in the loan.

Federal intermediate credit banks are not authorized to receive deposits or otherwise conduct a general banking business.

MATURITIES OF LOANS DISCOUNTED

Maturities acceptable to the intermediate credit banks usually coincide with normal marketing or liquidating seasons to permit note-makers to complete the season's operations for which the credit is extended. Ordinarily, maturities range from 3 months to 1 year. Under the law they may not exceed 3 years.

INTEREST AND DISCOUNT RATES

Each Federal intermediate credit bank is authorized, with the approval of the Intermediate Credit Commissioner, to establish from time to time rates of discount and interest which—except with the approval of the Governor of the Farm Credit Administration—may not exceed by more than 1 percent per annum the rate borne by the last preceding issue of debentures issued by it or in which it participated. Under existing regulations a note is not eligible for discount, or as collateral for loans, if the rate of interest charged the maker exceeds the bank's discount rate by more than 3 percent per annum.

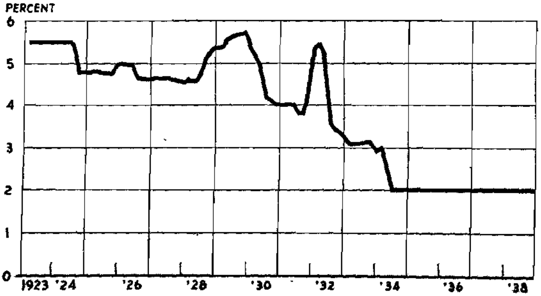

FIGURE 8

INTEREST AND DISCOUNT RATES OF FEDERAL INTERMEDIATE CREDIT BAN

On December 31, 1938, the loan and discount rate of all Federal intermediate credit banks was 2 percent per annum in the continental United States and 2½ percent in Puerto Rico. These rates have continued in force since May 16, 1934, and are the lowest since the establishment of the banks.

VOLUME OF BUSINESS

During 1938 the Federal intermediate credit banks extended $464,022,561 of credit to financing institutions, cooperative associations, and banks for cooperatives, compared with $449,566,194 during 1937. Of the total volume of business in 1938, loans to and discounts for financing institutions amounted to $422,219,047, or 91 percent; loans to cooperative associations totaled $2,668,303, or 0.6 percent; and loans aggregating $39,135,211, or 8.4 percent, were discounted for banks for cooperatives.

Of the total volume of credit extended to financing institutions in 1938, $331,752,701, or 78.6 percent, represented loans to and discounts for production credit associations; and $90,466,346, or 21.4 percent, for privately capitalized institutions such as commercial banks, agricultural credit corporations, and livestock loan companies. No notes have been discounted for the regional agricultural credit corporations since 1935 when all indebtedness of these corporations to the credit banks was repaid.

The major expansion in the operations of the banks continued to originate with production credit associations. Loans to and discounts for production credit associations in 1938 totaled $331,752,701, compared with $305,822,896 in 1937, and $241,428,462 in 1936. During 1938 the Federal intermediate credit banks extended credit to three privately capitalized financing institutions, which had not previously obtained credit from them. On the other hand, 20 corporations liquidated their lines of credit during the year and discontinued dealing with the banks.

On December 31, 1938, outstanding loans and discounts of the Federal intermediate credit banks totaled $202,857,189, of which $176,653,179, or 87 percent, represented credit extended to financing institutions; $920,126, or 0.5 percent, consisted of loans to cooperative associations; and $25,283,884, or 12.5 percent, discounts for the banks for cooperatives.

Of the amount outstanding for financing institutions, $143,107,794, or 81 percent, represented production credit association loans and discounts, and $33,545,385, or 19 percent, credit extended to other financing institutions.

Figure 9 shows the amount of loans and discounts of Federal intermediate credit banks outstanding during the years 1933 to 1938, inclusive, classified by type of institution.

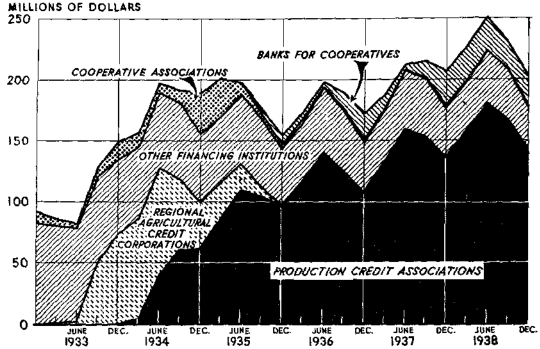

FIGURE 9

LOANS AND DISCOUNTS OUTSTANDING FROM THE FEDERAL INTERMEDIATE CREDIT BANKS

Additional data relating to the volume of business handled during the year are given in tables 31 to 36 of the appendix.

IMPROVEMENTS IN PROCEDURE

Continued progress was made during the year in the refinement of procedure and methods, which enabled the banks to handle more expeditiously a larger volume of business at lower cost than in 1937. However, extreme care is exercised to see that no procedural change is made which would lower the credit standards maintained by the banks.

CAPITAL

The aggregate amount of capital stock and paid-in surplus of the 12 Federal intermediate credit banks remained at $70,000,000 and $30,000,000, respectively, throughout 1938. Under the law, the amount of the capital stock and paid-in surplus of any Federal intermediate credit bank may be increased or decreased from time to time by the Governor in accordance with the credit needs of eligible borrowers from the banks.

DEBENTURES

The major portion of the funds used by credit banks in their lending operations is derived from the sale of debentures to the investing public. To this end the banks are authorized, subject to the approval of the Farm Credit Administration, to issue and sell collateral trust debentures or other similar obligations having a maturity of not more

The debentures are instrumentalities of the Government of the United States. As such, they and the income derived therefrom are exempt from Federal, State, municipal, and local taxes, including surtaxes. However, the Government assumes no liability, direct or indirect, for such debentures.

Prior to October 1935, debentures of the individual banks were issued, the last of which matured and were retired September 15, 1936. The banks now issue consolidated debentures only, for which the 12 institutions are jointly and severally liable as to both principal and interest. Under the law the aggregate amount of outstanding debentures and similar obligations issued individually by any Federal intermediate credit bank, together with the amount of outstanding consolidated debentures issued for its benefit and account, may not exceed 10 times the surplus and paid-in capital of such bank.

Debentures ordinarily are issued for terms of from 3 to 12 months, with interest payable at maturity. The par amount of debentures issued during 1938 was $317,925,000, of which $141,975,000, or 44.7 percent, carried maturities of 6 months or less. The balance, amounting to $175,950,000, or 55.3 percent, carried maturities of more than 6 months. Of the total amount, 25.6 percent was issued with 9-month, 5.1 percent was issued with 11½-month, and 24.6 percent with 12-month maturities, the latter being the maximum maturity issued during the year. At the close of the year debentures outstanding aggregated $168,725,000 with maturities distributed over the ensuing 12 months. Further data relative to the amounts of debentures issued and outstanding are given in table 37 of the appendix.

Debentures usually are sold between the 1st and 10th of each month for delivery on the 15th. For the present, they are issued in denominations of $5,000, $10,000, $50,000, and $100,000.

Beginning in June 1938, debentures issued by the Federal intermediate credit banks have borne interest at the rate of 1 percent per annum. The previous face rate of 1½ percent had been in effect about 4 years.

Debentures maturing in not more than 6 months are eligible for purchase by Federal Reserve banks and also may be accepted by them as collateral for 15-day loans to member banks under section 13 of the Federal Reserve Act. Debentures of all maturities are eligible as collateral for advances by Federal Reserve banks to member banks, under section 10 (b) of the Federal Reserve Act for periods not exceeding 4 months. Advances under section 10 (b) are made at a higher rate than those under section 13.

Federal intermediate credit bank debentures are lawful investments and may be accepted as security for all fiduciary, trust, and public funds held under the authority or control of officers of the United

States. They are approved also as security for deposits of postal-savings funds and are legal investments in various States, including the State of New York, for funds of savings banks, insurance companies, and for other fiduciary and trust funds.

In addition to issuing debentures, Federal intermediate credit banks, with the approval of the Farm Credit Administration, may rediscount eligible paper with Federal Reserve banks, and may sell paper in the open market with or without their endorsement. With the approval of the Farm Credit Administration, a Federal intermediate credit bank may borrow from, or rediscount paper with, another intermediate credit bank or with any other banking institution. Interbank loans during 1938 aggregated $13,350,000, resulting in a substantial saving of interest to the system as a whole through utilization of surplus funds which otherwise might have been idle.

FRANCHISE TAXES

The Farm Credit Act of 1937 provided that, subject only to review and approval by the Farm Credit Administration, each Federal intermediate credit bank, at the end of its fiscal year and after all necessary expenses and costs of operation for such fiscal year have been paid or provided for, shall apply its net earnings then remaining in the following manner: First, to making up any losses in excess of its reserves against unforeseen losses and assets of doubtful value; second, to the elimination of any impairment of its paid-in capital and paid-in surplus; third, to the creation and maintenance of reserves against unforeseen losses and assets of doubtful value in such amount as its board of directors may prescribe; fourth, to the payment of 25 percent of the amount then remaining to the United States as a franchise tax; and fifth, to the payment of the remaining net earnings into its surplus account. Franchise taxes paid to the Treasurer of the United States for the fiscal year ended December 31, 1938, aggregated $760,141.

FINANCIAL CONDITION AND EARNINGS

Earned surplus of the banks was increased $2,944,230, after the payment of $760,141 as a franchise tax for 1938 and the addition of $690,000 to reserve for contingencies. This compares with an increase in earned surplus of $3,075,409 for the year 1937, after payment of a franchise tax of $741,275. Also, during 1937, $1,100,000 was transferred to reserve for contingencies from valuation reserves established in 1936 by the banks located in areas affected by the serious drought of that year.

Full reserves are maintained against the asset value of furniture, equipment, automobiles, deposits in closed banks, real estate acquired in the liquidation of paper, and similar items. Amounts written off during 1938 aggregated $201,133, while recoveries amounted to

$32,400. In addition to amounts written off for established losses, fully adequate reserves were maintained against possible losses in loans, discounts, and notes receivable. The net amount of losses charged off from organization in 1923 to date, including reserves for estimated losses, is twenty-four one-hundredths of 1 percent of the total volume of credit extended during this entire period.

The principal assets and liabilities of the banks, as of December 31, 1936, 1937, and 1938 are shown in the following consolidated statement:

Asset and liability items of the 12 Federal intermediate credit banks, Dec. 31, 1936, 1937, and 1938

	Dec. 31, 1936	Dec. 31, 1937	Dec. 31, 1938
ASSETS			
Loans and discounts:			
Financing institutions (net)	$146, 698, 732	$175, 802, 596	$176, 126, 185
Cooperative associations	1, 640, 765	1, 813, 471	920, 126
Banks for cooperatives	22, 313, 575	29, 154, 555	25, 283, 884
Cash on hand and in banks	8, 875, 621	8, 244, 561	9, 587, 093
U. S. Government obligations, direct and fully guaranteed [1]	73, 215, 000	73, 404, 456	73, 999, 496
Other assets (net)	2, 342, 189	2, 287, 618	2, 112, 374
Total	255, 085, 882	290, 707, 257	288, 029, 157
LIABILITIES			
Unmatured debentures outstanding	143, 950, 000	174, 950, 000	168, 725, 000
Other liabilities	2, 750, 286	3, 196, 252	3, 108, 922
Capital stock paid in	70, 000, 000	70, 000, 000	70, 000, 000
Surplus paid in	30, 000, 000	30, 000, 000	30, 000, 000
Surplus earned	8, 385, 596	11, 461, 005	14, 405, 235
Reserve for contingencies		1, 100, 000	1, 790, 000
Total	255, 085, 882	290, 707, 257	288, 029, 157

[1] Carried at cost or par, whichever is lower.

A consolidated statement of condition and individual statements of the 12 Federal intermediate credit banks are given in tables 38 and 40 of the appendix.

BANKS FOR COOPERATIVES

A system for making credit available to farmers' cooperative associations on a business basis was established, in accordance with the Farm Credit Act of 1933, by the organization of the 12 district banks for cooperatives and the Central Bank for Cooperatives.

DIVISION OF LENDING AUTHORITY

Generally, the credit needs of farmers' cooperative associations are met by the district banks for cooperatives, one of which is located in each of the 12 farm credit districts. Cooperative associations of

national or broad regional scope are usually served by the Central Bank for Cooperatives, in Washington, D. C.

Without the approval of the Cooperative Bank Commissioner no district bank for cooperatives may have loans outstanding to any one borrowing association in excess of 10 percent of the capital and surplus of the bank, except in the case of loans secured by commodities, in which circumstance the limitation is 20 percent of the bank's capital and surplus. In instances where a district bank for cooperatives receives applications for loans which, if granted, would exceed these lending limitations, the Central Bank for Cooperatives is invited to participate.

During 1938 the Central Bank participated in loans made by the district banks to five associations. Moreover, in two instances the district banks participated in credit extended by the Central Bank, thereby assisting in the financing of commodities produced in the territories of the participating banks.

The banks also are empowered by law to make loans to other banks for cooperatives. During 1938 the Central Bank for Cooperatives made three loans in the amount of $800,000 to the district banks, all of which had been repaid by December 31, 1938.

CAPITALIZATION

The initial capital of the banks for cooperatives was subscribed by the Governor of the Farm Credit Administration from funds available in the revolving fund authorized by the Agricultural Marketing Act. The amounts paid in originally were $5,000,000 to each district bank and $50,000,000 to the Central Bank. It is provided by law that the capital stock of the banks shall be in such amount as the Governor o the Farm Credit Administration shall determine is necessary to mee the credit needs of eligible borrowing cooperatives in their territories As the lending activities of the district banks have increased, it ha been deemed advisable to increase their capitalization and, from tim to time, additional subscriptions and payments for capital stock hav been made.

During 1938 an additional $1,000,000 was subscribed and paid i to the New Orleans Bank for Cooperatives. Payments in full we made on unpaid subscriptions to the following district banks in tl amounts shown: Columbia, $500,000; St. Louis, $1,000,000; ar Berkeley, $2,000,000. There were no unpaid subscriptions to t capital of the banks for cooperatives as of December 31, 1938.

In addition to the capital supplied by the Government, each bc rower is required to own—at the time a loan is granted—capital sto in the bank; if an association is not authorized to purchase stock may pay into a guaranty fund an equivalent amount. The amou of capital interest which a borrowing association is required to ha

in the bank is approximately 5 percent of the amount of operating capital and facility loans granted and approximately 1 percent of the amount of commodity loans. Stock owned by a borrower in connection with operating capital or facility loans may be applied to cover all, or part, of the stock requirement with respect to commodity loans. Upon final payment of a loan the stock, or interest in the guaranty fund, may be retired at par, less pro rata impairment, if any. On December 31, 1938, 49 associations, whose loans had been paid, retained stock or an interest in the guaranty fund of the banks, amounting to $33,600.

The capitalization of the banks for cooperatives as of December 31, 1938, is shown below:

Capital of the banks for cooperatives paid in by U. S. Government and by borrowers, as of Dec. 31, 1938

Bank	Capital paid in by U. S. Government	Capital paid in by borrowers	Total paid-in capital
Springfield	$8,000,000	$260,100	$8,260,100
Baltimore	7,000,000	189,500	7,189,500
Columbia	6,500,000	148,300	6,648,300
Louisville	8,000,000	174,500	8,174,500
New Orleans	8,000,000	253,500	8,253,500
St. Louis	7,000,000	149,200	7,149,200
St. Paul	8,000,000	297,200	8,297,200
Omaha	7,000,000	148,600	7,148,600
Wichita	7,000,000	196,100	7,196,100
Houston	6,500,000	234,100	6,734,100
Berkeley	15,000,000	586,300	15,586,300
Spokane	11,000,000	409,200	11,409,200
Total	99,000,000	3,046,600	102,046,600
Central Bank	50,000,000	681,400	50,681,400
Grand total	149,000,000	3,728,000	152,728,000

ELIGIBLE BORROWERS

The Farm Credit Act of 1933, as amended, specifies that to be eligible to borrow from a bank for cooperatives an association must be a cooperative operated for the mutual benefit of its members, in which farmers act together in doing one or more of the following:

1. Processing, preparing for market, handling, or marketing farm products;
2. Purchasing, testing, grading, processing, distributing, or furnishing farm supplies; or
3. Furnishing farm business services.

The law further provides that to be eligible an association may not do more business with nonmembers than with members; and it must either provide that no member may have more than one vote in the affairs of the association because of the amount of stock or membership capital he may own therein, or it must limit its dividends on stock or

membership capital to 8 percent a year. The banks for cooperatives require that at least 90 percent of the voting media of a borrowing cooperative be held by the producer-members.

TYPES OF LOANS

Practically complete credit facilities are available to eligible and qualified associations through the three types of loans made by the banks for cooperatives:

1. Commodity loans, which are of short term, are secured by first liens on farm products or supplies approved as collateral by the Cooperative Bank Commissioner. The value of the products or supplies must be sufficient, at the time the loan is made, to provide an adequate margin of security without the necessity of additional collateral of another type.

Since January 1, 1938, the banks for cooperatives have offered for rediscount to the Federal intermediate credit banks all commodity loans amounting to $100,000 or more. Prior to 1938, all such loans in excess of $20,000 were offered to the intermediate credit banks for rediscount.

During 1938 binder twine was added to the list of farm supplies that have heretofore been approved as security for commodity loans.

2. Operating capital loans typically are for the purpose of supplementing the borrower's working capital and are generally made for relatively short periods of time. While the law does not require specific collateral for such loans, liens on real estate, equipment, and inventories generally are taken.

3. Facility loans are available to enable eligible borrowers to finance or refinance the acquisition—by purchase or lease—of land, buildings, or other physical facilities. According to law such loans must be repaid within 20 years; but in most cases the schedule of repayments covers a period of less than 10 years. In every instance specific collateral, generally consisting of first liens on physical properties of the borrowing cooperatives, is taken as security for facility loans. The banks for cooperatives may not make such loans in excess of 60 percent of the value of the collateral offered.

INTEREST RATES

The rates of interest charged by the banks for cooperatives are determined by the Governor of the Farm Credit Administration in accordance with statutory provisions. The following rates were effective during all of 1938:

Type of loan:	Interest rate (percent per annum)
Commodity	2
Operating capital	3
Facility	4

Loans made to cooperative associations in Puerto Rico bear interest at a rate one-half of 1 percent higher than the rates stated above. The banks for cooperatives charge interest only on the unpaid principal portion of the loans.

LENDING POLICIES AND CREDIT STANDARDS

The law provides that a bank for cooperatives may make loans only to eligible cooperatives whose organization, management, and business policies are of such character as to insure the reasonable safety of the loans. In line with this provision the banks for cooperatives continued during 1938 to give attention to the economic need, membership support, capitalization, and operating efficiency of their applicants and borrowers as well as to the strictly financial aspects of credit analysis.

During 1938 the banks for cooperatives continued to urge the adoption of the revolving capital plan of capitalization for farmers' cooperative associations. Under this plan amounts deducted or retained by a cooperative are used to augment its capital structure. When the amounts thus accumulated over a period of time are sufficient for the cooperative's needs the amounts deducted in the earliest year—for which certificates of stock or other evidences of equity were issued—are retired. By continuing this process year after year the association's capital is kept in balance with its requirements, the financial interest of former members are retired, and new patrons commence immediately to contribute to the association's capital.

VOLUME OF BUSINESS

During 1938 the 12 district banks for cooperatives and the Central Bank for Cooperatives made advances totaling $94,945,530 to borrowing cooperative associations. This compared with advances of $97,584,498 during 1937 and $81,294,454 in 1936. Since the organization of the banks for cooperatives, total advances have amounted to $407,687,625 of which $319,550,625, or 78.4 percent, had been repaid by December 31, 1938. Outstanding loans of the 13 banks for cooperatives amounted to $87,496,341 on December 31, 1938, compared with $87,633,166 on December 31, 1937, and $69,647,241 at the close of 1936. At the end of the year 1938, 1,631 cooperative associations had loans outstanding from the banks for cooperatives.

On December 31, 1938, reserves totaling $2,866,316, or 3.3 percent of all loans outstanding, were being maintained against loans. During 1938, $275,691 was transferred from the loan account to liquidation accounts, the total balances of which amounted to $391,241 at the close of the year. Reserves aggregating $225,952 were being maintained against the balance in these accounts on December 31. Charge-

offs of loans and items included in the liquidation accounts totaled $34,575 during the year.

Total net earnings of the banks for cooperatives during 1938 amounting to $2,036,793, were transferred to surplus.

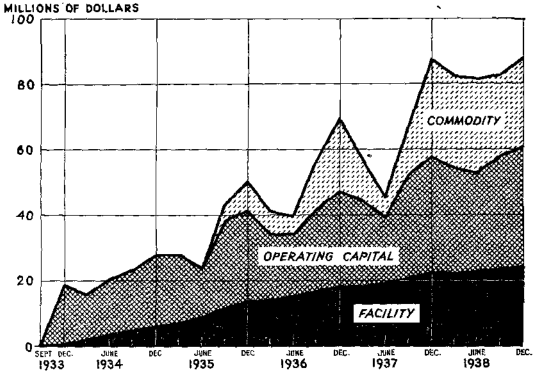

FIGURE 10

LOANS OUTSTANDING FROM THE 13 BANKS FOR COOPERATIVES

Other financial and statistical data relative to the operations of the banks may be found in tables 41 to 47 of the appendix.

STOCKHOLDERS' MEETINGS

During the year 1938 the banks for cooperatives continued their policy of holding stockholders' meetings. Twenty-nine such meetings were held. They were well attended, not only by representatives of borrowers but by members of nonborrowing associations. In general the meetings were devoted to discussions of agricultural and cooperative problems and accomplishments. In each meeting the services offered to cooperative associations by the banks for cooperatives were pointed out and the credit standards and requirements of the banks were explained and discussed.

FARMERS' COOPERATIVE ASSOCIATION SURVEY

The Nation-wide survey of farmers' cooperative associations, which was begun in 1937 and conducted jointly by the Farm Credit Administration, the district banks for cooperatives, and about 30 State agricultural colleges and universities, was completed during 1938.

The survey covering the year 1936 showed more than 15,500 farmer-owned and farmer-controlled cooperative associations and mutual companies operating in the United States. Of this number

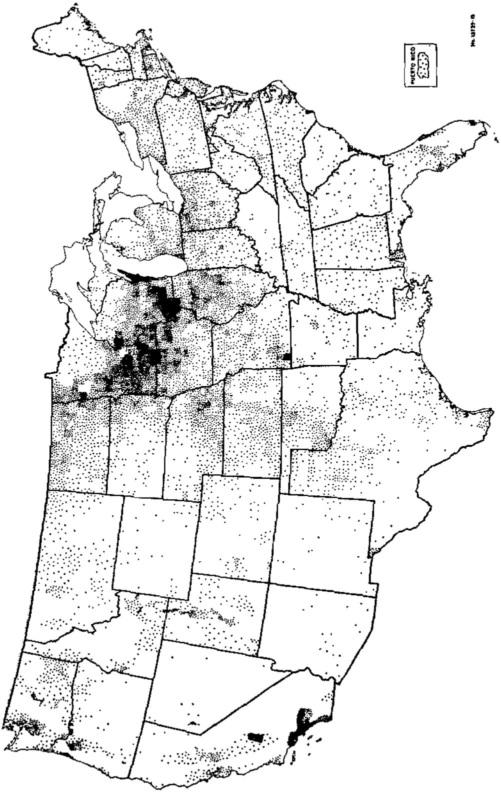

FIGURE 11

LOCATION OF FARMERS' COOPERATIVE MARKETING AND PURCHASING ASSOCIATIONS

10,752 are engaged in marketing farm products, purchasing farm supplies, or performing related services. Nineteen hundred are mutual fire insurance companies and approximately 2,500 are mutual irrigation companies. As indicated in figure 11, marketing and pur-

chasing associations were found to be operating in every State of the Union as well as the District of Columbia and Puerto Rico.

Sales of farm products and farm supplies by cooperatives amounted to $2,100,000,000 annually, with 295 associations reporting sales of more than $1,000,000 each and 34 associations reporting sales in excess of $10,000,000 each. This record of cooperatives' growth, however, does not indicate a sudden change in the method of handling farm products or supplies. For more than 50 years farmers have been building their own marketing machinery. The survey revealed that a few of the marketing and purchasing associations now active in this country date back to the 1870's. Over 2,000 of them have been operating continuously for more than 25 years.

Generally speaking and within limits which vary with each commodity type, the larger associations were found to be operating more efficiently than the smaller ones. In practically every type of association the survey data showed an upward trend in earnings and patronage dividends with increased size of business. Compilation of data revealed the fact that many of the cooperatives today are operating on a volume too small for maximum efficiency. The table below is cited in support of this fact:

Expenses as a percent of total sales

Relative size	Type of association			
	Citrus fruit packing houses	Cheese factories	Creameries[1]	Feed stores
	Percent	*Percent*	*Percent*	*Percent*
Small	35.9	14.5	13.5	8.
Medium	24.8	12.7	9.3	7.
Large	22.5	11.7	7.3	6.

[1] Excluding creameries selling substantial quantities of manufactured products other than butter.

The survey made available for the first time substantially complet statistical data regarding the payment of patronage dividend methods of voting, legal status, use of borrowed capital, and man other practices of cooperative associations.

Patronage dividends of $25,380,000 were returned to their patror by 4,010 cooperative associations during the year covered by tl survey. About 37 percent of all marketing and purchasing associ tions paid patronage dividends in that year. Three of every fo associations handling petroleum products paid patronage dividen averaging $4,747 per association. These figures do not represent tl total savings effected by cooperatives since part of the net earnin

are retained to build up the farmers' investment in their associations. Many cooperatives return the savings immediately to their patrons in the form of higher prices paid for farm products marketed by them or lower prices for cooperatively purchased supplies. These benefits—of unknown amount—are not reflected in the substantial figures of earnings and dividends. They are especially important in the case of bargaining associations, which concentrate on obtaining better prices for their members.

Seventy-seven percent of the marketing and purchasing associations were found to be incorporated under cooperative laws; 13 percent under general corporation laws; 10 percent of the association were unincorporated. The survey shows that in the country as a whole, there is an increasing tendency to incorporate under cooperative nonstock laws. Very few new associations are incorporating under the general corporation laws.

The survey shows that 86 percent of all the farmers' cooperative marketing and purchasing associations use the one-member-one-vote principle, while in 12 percent of the associations voting privileges are based on the ownership of stock or other types of membership equity. In 125 associations, most of which are located on the Pacific coast, the bylaws permit voting by the members on the basis of either patronage alone or on a combination of patronage and the one-member-one-vote principle. Where such a combination is used the usual procedure is to allow each member one vote plus additional votes based on his patronage.

Approximately one-half of the 15,573 farmers' cooperative associations and mutual companies operating in the United States use borrowed funds to help finance their operations.

The peak amounts borrowed by individual associations totaled $314,553,000. Eighty-two percent of this amount was borrowed by marketing and purchasing associations, 17 percent by mutual irrigation companies, and about 1 percent by mutual insurance companies.

Commercial banks and the banks for cooperatives stand out as the two most important sources of credit for cooperatives. Thirty-nine percent of the total amount of borrowed money used by cooperatives was obtained by associations using commercial banks as their principal source of credit. Twenty-six percent was borrowed by associations using the banks for cooperatives as their principal source of credit.

Interest rates paid on borrowed capital by farmers' cooperatives in 1936 varied all the way from nothing to 11 percent per annum. In general the large associations are shown to be borrowing at considerably lower rates than the smaller ones as the following table indicates:

Average interest rates paid by cooperatives [1] classified according to size of borrowings

Amount borrowed	Number of associations borrowing in 1936	Average interest rate [2]		
		1936	1935	1934
Less than $5,000	2,751	5.8	6.0	6.1
$5,000–$9,999	1,246	5.2	5.3	5.6
$10,000–$49,999	1,543	4.9	5.0	5.4
$50,000–$99,999	157	4.3	4.5	4.5
$100,000–$499,999	156	3.7	3.9	4.2
$500,000–$999,999	24	3.2	3.4	3.2
$1,000,000 and over	32	2.9	3.0	3.4

[1] Marketing and purchasing associations only.
[2] Weighted by number of associations.

Other factors affecting interest rates are location, term of loan, source of credit, security offered, and—in the case of the banks for cooperatives—purpose for which the money is to be used.

The data assembled during the course of the survey were summarized and published in bulletin form—Farm Credit Administration Bulletin No. 26. This bulletin is available for general distribution.

FEDERAL FARM MORTGAGE CORPORATION

The Emergency Farm Mortgage Act of 1933, approved May 12 1933, made available to the Land Bank Commissioner a fund o $200,000,000 to meet an urgent demand for additional farm mortgag credit which could not be provided by the existing permanent unit of the farm credit system. The Federal Farm Mortgage Corporatio Act, approved January 31, 1934, extended and broadened these emer gency facilities by establishing the Federal Farm Mortgage Corpora tion. The unexpended portion of the $200,000,000 fund made avai able to the Commissioner by the Emergency Farm Mortgage Act an the mortgages and credit instruments previously acquired thereunde were transferred to the Corporation for the purpose of subscriptio to its authorized capital of $200,000,000.

ORGANIZATION AND MANAGEMENT

The administration and management of the Federal Farm Mortga Corporation is vested by the Federal Farm Mortgage Corporati Act in a board of directors, consisting of the Governor of the Far Credit Administration as chairman, the Secretary of the Treasury an officer of the Treasury designated by him, and the Land Ba Commissioner. The board of directors may adopt such bylaws a regulations and appoint such officers and employees as it dee necessary to carry out the powers and responsibilities conferred up the Corporation.

The executive committee of the Corporation, consisting of the president, the executive vice president, a vice president, the treasurer and the secretary and assistant treasurer, administers the affairs of the Corporation when the board of directors is not in session. The officers of the Corporation are employees of the Farm Credit Administration and receive no additional compensation from the Corporation. The Corporation reimburses the Farm Credit Administration monthly for the salaries and other expenses incurred and advanced on its behalf.

In addition to its Washington office staff, the Corporation has one or more vice presidents and, in several instances, one or more field representatives assigned to duty in each of the 12 farm credit districts. These district vice presidents and field representatives are also employees of the Farm Credit Administration and receive no additional compensation from the Corporation. The Corporation has designated in each district two officers or employees of the Federal land bank as its district disbursing officers and two others as its assistant secretaries. These bank employees receive no compensation from the Corporation. The Corporation, however, reimburses the Federal land banks for that portion of their time which is devoted to the affairs of the Corporation.

The Corporation may avail itself of the information, services, and facilities of any board, commission, independent establishment, or executive department of the Government with the consent of the governing authority of each such agency. The fiscal and financial services of the Treasury Department and the Federal Reserve banks are regularly utilized by the Corporation. The Federal land banks have been appointed agents of the Land Bank Commissioner and of the Corporation, and their services, together with those of the national farm loan associations, are used extensively by the Corporation in the making and servicing of its loans and real estate. The Corporation compensates these agencies for services rendered on the basis of actual cost.

The manner in which the services of these agencies, particularly those of the Federal land banks and national farm loan associations, are utilized by the Corporation and the methods by which the resulting expenses are expended, audited, and paid were outlined in the fifth annual report. That report also described the cash and accounting procedures employed by the Corporation, as well as the nature and extent of the supervision and control maintained over the fiscal and administrative functions of both the central and district offices. These practices and procedures have proved themselves well adapted to the Corporation's organization and operations and have been continued during the year 1938 without substantial change.

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BONDS

The Federal Farm Mortgage Corporation is authorized, with the approval of the Secretary of the Treasury, to issue and have outstanding at any one time bonds in an aggregate amount not exceeding $2,000,000,000. The Corporation's bonds are lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which is under the authority or control of the United States Government. They are, in addition, fully and unconditionally guaranteed both as to principal and interest by the United States Government. They are issued in both registered and coupon form in denominations of $100 and up. Bonds may be exchanged for bonds of a different denomination of the same issue or coupon bonds may be exchanged for registered bonds of the same issue and vice versa by requesting local banks to effect the exchange through the Federal Reserve bank of the district. Transfer of registered bonds may be accomplished through the Federal Reserve banks in the same manner. Interest on registered bonds is paid by check on the United States Treasurer, mailed to the person who, 1 month before the payment date, is registered as the holder of the bond. The Division of Loans and Currency, Treasury Department, Washington, D. C., acts as transfer agent of the Federal Farm Mortgage Corporation and handles the details in connection with the issue, exchange, transfer, and maintenance of bond records. The Corporation's bonds can be purchased or sold through bond dealers and commercial banks. Commercial banks and local postmasters are accustomed to cash matured interest coupons from coupon bonds.

Since its organization, the Federal Farm Mortgage Corporation has issued bonds aggregating $1,651,559,000, of which $1,387,759,900 were outstanding on December 31, 1938. As a result of the limited demand for new Land Bank Commissioner loans and substantial collections of principal on outstanding loans, the Corporation found it unnecessary during the year 1938 to issue any new bonds and was able to purchase and retire $27,106,000 of its outstanding bonds. Additional information on Federal Farm Mortgage Corporation bonds is contained in table 59 of the appendix.

ASSISTANCE TO THE FEDERAL LAND BANKS

Approximately one-half of the bonds issued to date by the Federal Farm Mortgage Corporation has been for the purpose of furnishing the Federal land banks with funds for making land bank loans. At the time the Federal Farm Mortgage Corporation was created the demand for land bank loans was greater than the banks could readily finance through the issuance and sale of consolidated Federal farm loan bonds in the current bond market. During the calendar years

of 1934 and 1935 the Corporation assisted the banks in financing their large volume of loan fund requirements by accepting their consolidated bonds in exchange for an equivalent amount of its own bonds. The fact that the Corporation's bonds are fully guaranteed both as to interest and principal by the United States Government gave them a wider market at lower rates of interest. In this way the Federal land banks were enabled to finance and make a large volume of land-bank loans at interest rates considerably lower than they could otherwise have done. Since the beginning of 1936 the Federal land banks have sold their own bonds directly in the money markets to obtain funds to make new loans as well as for refunding purposes.

During the years 1937 and 1938 the Corporation has furnished the land banks with substantial amounts of short-term credit on the security of a like amount of consolidated bonds. The funds for making these loans have come largely from principal payments received by the Corporation on its Commissioner loans. These short-term loans to the banks amounted to $41,000,000 during 1937 and $3,700,000 during 1938, of which $26,200,000 were outstanding at December 31, 1938. The loans made to each of the Federal land banks during 1938, and outstanding at December 31, 1938, are shown in the following table:

Loans to Federal land banks during 1938, and outstanding at Dec. 31, 1938

To Federal Land Bank of—	Amount loaned during 1938	Amount outstanding Dec. 31, 1938
Springfield		$1,000,000
New Orleans	$600,000	2,600,000
St. Louis	3,100,000	7,100,000
Omaha		13,500,000
Spokane		2,000,000
Total	3,700,000	26,200,000

LAND BANK COMMISSIONER LOANS

Under section 32 of the Emergency Farm Mortgage Act of 1933, as amended by the Federal Farm Mortgage Corporation Act of 1934 and the Farm Credit Act of 1935, the Land Bank Commissioner is authorized to make loans on behalf of the Federal Farm Mortgage Corporation until February 1, 1940. Land Bank Commissioner loans may now be made for the same general purposes as Federal land bank loans. They may be made upon the security of first and second mortgages on farm property, either real or personal, not exceeding, together with all prior encumbrances 75 percent of the appraised normal value or "prudent investment value" of the property mortgaged. A loan may be made on the basis of "prudent investment

value" where "the person occupying the property is not entirely dependent upon the income therefrom for his livelihood but receives a part of his income from other dependable sources." The maximum loan that may be made to any one farmer by the Land Bank Commissioner is $7,500. Loans by the Land Bank Commissioner bear interest at the rate of 5 percent per annum and are payable on an amortization plan in a fixed number of annual or semiannual installments maturing within an agreed period of not more than 40 years from the date the first payment on principal is due. When in the judgment of the Land Bank Commissioner conditions justify it, provision may be made in Commissioner loans requiring payments of interest only, during the first 3 years the loan is in effect, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. The rate of interest to the borrower on Commissioner loans has been temporarily reduced by acts of Congress to 4 percent per annum for all interest payments on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940.

Most of the loans closed to date by the Land Bank Commissioner represent either first mortgage loans on security not eligible for Federal land bank loans or second mortgage loans supplementary to existing or new Federal land bank loans. Both Federal land bank first and Land Bank Commissioner first and second mortgage loans are made on the basis of joint applications to the Federal land banks and the Land Bank Commissioner and are based upon a single appraisal of the security offered, a single investigation of the credit standing and paying ability of the applicant, and a single examination of the title to the security. This policy has avoided the confusion that would have resulted from requiring and reviewing separate applications for land bank and Commissioner loans and has materially reduced the cost per loan to the borrowers and to the bank and the Corporation.

It has been the practice to approve and close land bank loans where and to the extent that such loans may be made within the limit of 50 percent of the value of the land and 20 percent on the value of the buildings to the farm. The extension of the supplemental lending facilities of the Corporation, where the amount loanable by the land banks is insufficient to meet the applicant's requirements, has enabled thousands of deserving borrowers to obtain additional funds sufficient to save their farms and to give them an opportunity to reestablish their operations on a more secure and businesslike basis.

VOLUME OF LOANS

During 1938 a total of 17,453 Land Bank Commissioner loans were closed, amounting to $29,395,145, as compared to 21,873 loans closed for $40,020,173 during 1937. Since May 12, 1933, when Commissioner loans were first made available, 519,652 loans amounting to

$967,016,890 have been made. The number, amount, and percentage of loans closed by type of loan during 1938 are shown in the following table:

Land bank and Commissioner loans closed during 1938, by type of loan

Type of loan	Number	Percent of total	Amount	Percent of total
Federal land bank only	4,474	14.1	$13,954,872	17.1
Federal land bank closed jointly with Land Bank Commissioner	9,697	30.7	37,563,500	46.5
Land Bank Commissioner only, first mortgage	6,184	19.5	9,310,115	11.5
Land Bank Commissioner, second mortgage, not closed jointly with Federal land banks	1,572	5.0	2,474,540	3.1
Land Bank Commissioner, second mortgage, closed jointly with Federal land banks	9,697	30.7	17,610,490	21.8
Total	31,624	100.0	80,813,617	100.0

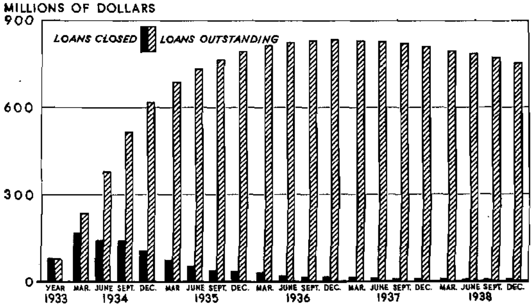

FIGURE 12

LAND BANK COMMISSIONER LOANS MADE AND OUTSTANDING

On December 31, 1938, there were 448,080 loans outstanding with an unpaid and unextended principal balance of $752,850,796, compared to 455,291 loans with an unpaid balance of $812,749,284 outstanding on December 31, 1937. This reduction in loans outstanding during the year 1938 was due to the fact that principal payments and loans paid in full totaling $57,824,246 and cancelations by transfers to foreclosure or acceptance of voluntary deed totaling $23,936,802 were in excess of new loans closed. The 3-year deferment period expired prior to the beginning of the year 1938 on most of the Commissioner loans outstanding. The expiration of this deferment period resulted in the maturity and subsequent payment or extension of a

sizable amount of principal. Of the total principal which matured prior to December 31, 1938, amounting to $77,639,862, $52,058,968, or 67 percent, was paid and $7,968,936, or 10.3 percent, was extended or deferred. Further information on the number and amount of loans closed and outstanding and on principal maturities and payments thereon is contained in tables 48, 49, 50, and 53 of the appendix.

SERVICING OF LOANS

The Federal Farm Mortgage Corporation attempts insofar as practicable to pursue a uniform policy of servicing its loans in all of the farm credit districts but necessarily varies its practices and procedures to meet the local conditions and circumstances in each of the districts. The Federal land banks determine the operating practices and procedures to be employed in their respective districts subject to the approval of the Corporation. This enables the Corporation to utilize to the fullest extent the services and skill of established district and local organizations with a background of long experience, intimate knowledge, and seasoned judgment in the farm mortgage field.

The policy of the Corporation in the servicing of its loans contemplates liquidation in an orderly manner. It insists that borrowers who are able to do so pay their loans within the agreed terms. In evaluating a borrower's ability to pay, however, the Corporation recognizes that a borrower should not be compelled to resort to unsound farming practices which will jeopardize his future paying ability or deprive himself or his family of necessary living expenses in order to make the current principal payments on his loan.

When a deserving borrower is unable to pay the matured installments on his loan, consideration is given to a method of postponement which best meets his particular needs. He may be granted a short-term extension of the delinquencies, a deferment of matured principal, or a long-term extension of his total indebtedness to the Corporation. A short-term extension of the delinquencies to the next harvest is usually granted as the first remedy in meeting a delinquency, particularly if the experience of the Corporation with the borrower has not been sufficient to enable it to arrange a more constructive long-term repayment arrangement.

A majority of the Commissioner loans outstanding are payable on a 10-year amortization plan, which, with the 3-year deferment, constitute 13-year loans. Except in certain circumstances, loans could not be made for longer periods prior to the enactment of the Farm Credit Act of 1935. It is apparent that many of these 13-year loans will have to be extended on a longer-term basis. The Corporation has developed the necessary procedures for handling such long-term extensions. It has not favored a blanket plan of extending all 13-year loans, but believes that it is advisable to handle each case in

accordance with individual circumstances. Where investigation indicates that a particular borrower is unable to meet the principal payments on his present loans without impairing his future operations but should be able to meet the smaller payments if given more time, the Corporation does not hesitate to extend the loan on a longer-term repayment basis.

COLLECTIONS

Prior to December 31, 1938, interest amounting to $156,659,417 had matured on Commissioner loans. As of December 31, 1938, 86.5 percent had been collected; 5.0 percent had been extended; 2.8 percent had been canceled by foreclosures or voluntary deeds; 0.3 percent had been reamortized or charged off; and 5.4 percent was delinquent.

There were 314,533 Commissioner loans as of December 31, 1938, with all matured installments paid in full, as compared to 350,139 at December 31, 1937. These loans in good standing on December 31, 1938, and 1937, were, respectively, 70.2 and 76.9 percent of the total number of loans outstanding. The classification and condition of Commissioner loans outstanding as of December 31, 1938, is shown in the following table:

Classification of the number of Land Bank Commissioner mortgage loans outstanding, Dec. 31, 1938

Farm credit district	Total number of loans outstanding	Classified as not delinquent				Classified as delinquent (loans with matured installments unpaid and loans with delinquent extensions)	
		Loans with all matured installments paid in full		Loans with all matured unpaid installments extended with no delinquency in extensions			
		Number	Percent	Number	Percent	Number	Percent
Springfield	18,379	13,700	74.5			4,679	25.5
Baltimore	15,852	13,653	86.1	26	0.2	2,173	13.7
Columbia	41,806	31,670	75.8	1,360	3.2	8,776	21.0
Louisville	51,095	45,514	89.1	99	.2	5,482	10.7
New Orleans	26,242	16,254	61.9	334	1.3	9,654	36.8
St. Louis	37,291	30,984	83.1	54	.1	6,253	16.8
St. Paul	84,382	48,239	57.2	2,419	2.8	33,724	40.0
Omaha	52,945	30,505	57.6	1,908	3.6	20,532	38.8
Wichita	42,425	25,463	60.0	101	.2	16,861	39.8
Houston	31,585	25,812	81.7	374	1.2	5,399	17.1
Berkeley	24,806	18,612	75.0			6,194	25.0
Spokane	21,272	14,127	66.4	705	3.3	6,440	30.3
Total	448,080	314,533	70.2	7,380	1.6	126,167	28.2

Temporary reduction in interest payable by Land Bank Commissioner borrowers was granted by acts of Congress amending section 32 of the Emergency Farm Mortgage Act of 1933. Under these

amendments the rate of interest on Land Bank Commissioner loans shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period, commencing July 22 1937, and ending June 30, 1940. An appropriation of $7,500,000 was made "to enable the Secretary of the Treasury to pay to the Federal Farm Mortgage Corporation such amount as the Governor of the Farm Credit Administration certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such Corporation have been reduced during the fiscal year 1938." A similar appropriation of $8,200,000 was made for the fiscal year 1939. The amount of interest reduction granted to borrowers under this act prior to December 31, 1938, was $11,585,314. The distribution of the amount of such reduction granted during the calendar year 1938, by farm credit districts, is shown in table 55 of the appendix.

Additional data regarding collections and the condition of Commissioner loans are contained in tables 52 to 54 of the appendix.

FORECLOSURES

Even in a case of heavy delinquency, if a borrower is doing his honest best, is applying the proceeds of production over and above necessary living expenses to the payment of primary obligations, is taking proper care of the property, and has the capacity to work his way out of a reasonable burden of debt under normal conditions and is making satisfactory progress, he is given every encouragement and opportunity to continue in the ownership and possession of his farm. If the borrower becomes hopelessly delinquent, however, abandons the property, or shows evidence of bad faith, the Corporation must find a way to obtain the transfer of the property and the debt to stronger hands or have recourse to the security itself, either through a voluntary tender of title or by foreclosure.

In cases where the Federal land bank holds the prior lien, and it determines that foreclosure is necessary, it refers the case to the district vice president of the Corporation. Upon the basis of an appraisal of the security and other available information, he estimates the probable equity of the Corporation in the property and advises the bank whether the Corporation elects to foreclose its mortgage. If the Corporation decides to foreclose, the bank as its agent, calls the Commissioner loan for foreclosure and proceeds with the action.

During the year 1938 the Corporation instituted foreclosure on 4,622 first and 2,945 second mortgage Commissioner loans, as compared to 3,400 first and 2,628 second mortgage foreclosures during the previous year. The Corporation anticipates a continued large, and probably an increased, volume of foreclosures during the coming year, unless conditions improve materially in the more distressed agricultural areas.

REAL ESTATE

The problem of servicing and selling acquired real estate has become one of the Corporation's major problems. The number of farms and sheriffs' certificates acquired by the Corporation during the year 1938 was 6,638 properties, as compared with 4,421 and 2,633 properties acquired during 1937 and 1936, respectively. Since this increase in real estate acquired during 1938 was not accompanied by a corresponding increase in the number of sales, the Corporation increased its inventory of farms and sheriffs' certificates held from 5,107 properties on December 31, 1937, to 8,245 properties on December 31, 1938.

This trend in the amount of real estate acquired will undoubtedly continue upward for some time to come. The number of delinquent and extended loans increased very rapidly from 1934 to 1937. While the increase in number was less rapid in 1938 than in previous years, the dollar volume of delinquencies increased very substantially. A small proportion of the Commissioner loans closed, particularly of those closed during 1933 and 1934, became delinquent almost immediately, and have since become more and more seriously delinquent. It is this type of loan, frequently accompanied by actual abandonment of the farm by the borrower, which has accounted for many of the foreclosures to date and which will undoubtedly continue to do so for the coming year. When the bulk of these loans has been liquidated, the number of foreclosures and farms acquired should decline considerably. The extent of loan delinquency and the outcome of many individual cases will depend largely upon future agricultural conditions, particularly in those States which have suffered most severely from droughts, scourges of insects, and plant diseases during recent successive years.

In those cases where it has been determined that the Corporation does not have a probable recovery through foreclosure of its second mortgages, it has charged off its loan and permitted the prior lienholder to acquire the property. During the year 1938 it charged off 2,407 loans, in which it had an investment of $3,840,570. Approximately 60.7 percent of the properties acquired by the Corporation during 1938 were acquired under its first mortgage loans.

Except in unusual cases, the Corporation does not retire or assume the Federal land bank first mortgage loan when it forecloses its second mortgage and acquires the related security. It does, however, place the bank loan in good standing upon electing to protect its equity in the security and thereafter maintains it in current condition by paying current installments and taxes as they become due, unless and until it decides to abandon and deed the property to the bank. The accumulation of these payments due on the prior liens, plus necessary outlays for repairs and servicing costs, frequently extinguishes

the already thin equities which the Corporation may have in properties acquired subject to bank loans, if it does not dispose of them within a year.

The Corporation follows the practice of expending a minimum amount of new funds on its farms for repairs and servicing and attempts to dispose of them promptly after acquisition. It rents, preferably to prospective purchasers, a majority of those farms which it does not sell promptly after obtaining possession. Its sales are usually made on the basis of a 20-percent down payment with the balance payable under a sales contract or purchase money mortgage. Purchasers of properties subject to prior liens usually assume the first mortgage loans.

Additional information on real estate acquired, sold, abandoned, and on hand, and on loans charged off, by districts, is given in tables 56, 57, and 58 of the appendix.

FINANCIAL POSITION

The principal assets of the Corporation consist of consolidated Federal farm loan bonds aggregating $761,129,840; first and second mortgage loans, including purchase money mortgages and real estate sales contracts, aggregating $757,709,947; and real estate, including sheriffs' certificates and related items, carried at a value of $9,492,173; cash on hand, exclusive of cash deposited for matured bond interest, amounted to $46,261,427. The total of these assets is $186,833,487 in excess of the Corporation's outstanding bonds as of December 31, 1938.

The Federal Farm Mortgage Corporation has established a conservative policy with regard to valuation reserves for delinquent installments, extensions, loans in foreclosure, and real estate and chattels owned. A reserve is maintained for the full amount of delinquent interest installments and extensions, less any partial payments received. Reserves are also maintained on loans called for foreclosure, sheriffs' certificates, and real estate owned—if they are subject to prior liens—for the full amount of the Corporation's net investment in them. If the loans and properties are not subject to prior liens, the reserves maintained are for the difference between the Corporation's investment and their carrying value, or the probable recovery or sale value, whichever is the lower. The reserve on chattels owned is for the full amount of the Corporation's investment. The total of these valuation reserves as of December 31, 1938, was $42,388,818.

The Corporation's earnings from organization to December 31, 1938, after absorbing the operating deficit of $257,967 in connection with Commissioner loans made prior to the organization of the Corporation, have been set aside as a reserve against estimated losses on

ommissioner loans outstanding. Any future earnings will continue be transferred to this reserve until it amounts to 10 percent of the ipaid principal balance of second mortgage loans and 2½ percent the unpaid principal balance of first mortgage loans. This reserve quirement amounts to $54,588,600, based upon loans outstanding . December 31, 1938.

The Corporation's income for 1938, on an accrual basis, including yments received from the Secretary of the Treasury for interest duction granted to borrowers, was $5,199,310 less than its operating penses, charge-offs, and valuation reserve requirements. This net ss reduced the reserve for losses on mortgage loans from $32,957,574 December 31, 1937, to $27,758,264 at December 31, 1938.

Most of the Commissioner loans were closed during a comparaely short period. The total of loans outstanding is being graduy reduced because loans are being paid off without being replaced th an equivalent amount of new loans. This decrease in the unid principal balance of active mortgage loans results in a correonding reduction in the amount of interest income. At the same ne operating expenses are increasing as loans become more delinent and more real estate is acquired. The capital losses from arge-offs of loans and sales of real estate and the valuation reserve quirements for distressed loans and real estate have likewise been ich heavier during 1938 than in previous years.

The Corporation's statement of condition as of December 31, 1938, d its profit and loss statements for the years ending December 31, 38, and December 31, 1937, are given in tables 60 and 61 of the pendix.

EMERGENCY CROP AND FEED LOAN SECTION

The Emergency Crop and Feed Loan Section operates under the isdiction and control of the Production Credit Division and is gaged in advancing short-term credit to small farmers who cannot tain loans from other sources for purposes of crop production and feeding of livestock.

The activity of the section during 1938 included administration of 1938 crop and feed loan program as well as the collection of paid balances on crop and feed loans made in prior years and ought feed loans made in 1934–35.

The field operations of the section were handled through 11 regional ces, 8 of which are located in cities where all other units of the rm Credit Administration are located. The 11 offices are at ringfield, Mass.; Baltimore, Md.; Columbia, S. C.; Memphis, nn.; St. Louis, Mo.; St. Paul, Minn.; Omaha, Nebr.; Wichita, ns.; Dallas, Tex.; Salt Lake City, Utah; and Spokane, Wash.

3ranch offices are also located in Puerto Rico and Hawaii under the upervision of the regional offices at Baltimore and Salt Lake City, espectively.

1938 EMERGENCY CROP AND FEED LOANS

The act of Congress approved January 29, 1937, authorizing the naking of emergency crop and feed loans by the Farm Credit Adminstration is a continuing act. The First Deficiency Appropriation Act, approved February 9, 1937, appropriated the sum of $50,000,000 or the purpose of making these loans and provided that such sums hould be available until June 30, 1938.

Under a joint resolution of Congress, approved February 4, 1938, Congress authorized that the unexpended balance on June 30, 1938, f the $50,000,000 appropriation, together with all past and future ollections on 1937 and 1938 loans, would be available for making oans under the act of January 29, 1937, during 1938, and until June 0, 1939.

Loans after June 30, 1939, are therefore dependent upon approriation of funds by Congress, or the continued authorization by Congress, making available past and future collections on 1937 and ubsequent loans, supplemented, if necessary, by further appropriaion to meet the need and demand for such loans.

As in 1937, emergency crop and feed loans were made available in 938 to farmers in the United States, Puerto Rico, and Hawaii for he purpose of financing the fallowing of land, the production and arvesting of crops, and the purchase and production of feed for vestock. The maximum amount loaned to any one borrower was mited to $400. Loans for the production of cash crops were secured y a first lien on all crops financed, in whole or in part, by the proceeds f the loan. Loans for the purchase or production of feed for livestock ere secured by a first lien on the livestock to be fed.

1938 LENDING POLICIES

In administering the 1938 loan, the Emergency Crop and Feed oan Section followed the established policy of restricting loans to rmers who could not obtain loans from other sources; of refusing rther credit to borrowers who had not shown good faith in connecon with former loans; and of limiting the loan to the actual amount eded by the applicant to finance his crop and livestock operations.

This policy of limiting the loan to the actual amount needed and of sisting that the loan obligation be treated in good faith is not only the interest of the United States Government as a creditor but is the best interest of the borrower as a means of improving his edit standing in his community and helping him to reestablish his ming operations on a sound self-supporting basis.

The extent to which this policy and type of financing has assisted emergency crop and feed loan borrowers to reestablish their credit and thereby finance themselves or obtain financing from production credit associations and private agencies is indicated by the loan experience in 1938.

1938 LOAN EXPERIENCE

The Emergency Crop and Feed Loan Section in 1938 made 174,590 loans in the amount of $19,582,465. This was a decrease of 31 percent in loans and 39.8 percent in dollar volume compared with 1937.

As a means of determining the effect of emergency crop and feed loans on the economic status of the small farmer, a study of the 1938 loans was made for the purpose of obtaining the following information:

(1) The number of 1937 borrowers who did not apply for loans in 1938 and the source of credit or other means by which such borrowers were enabled to finance their farming operations in 1938.

(2) The number of new borrowers financed by the Emergency Crop and Feed Loan Section in 1938 and the source of credit or other means by which such borrowers financed their farming operations or made a livelihood in 1937.

As having a direct bearing on the extent to which emergency crop and feed loan financing has contributed to the rehabilitation of the small farmer, the study revealed that 129,285 borrowers who were dependent on emergency crop and feed loans in 1937 did not require such financing in 1938.

Of these 1937 borrowers who did not obtain loans in 1938, the study showed that 102,353, or 79.2 percent, continued to farm actively in 1938, and that 19,165, or 14.8 percent, discontinued farming operations, chiefly because they adopted some other means of livelihood. In addition, 7,767 were deceased or their whereabouts unknown. Of the 102,353 borrowers who did not obtain further emergency crop financing in 1938, but who continued to farm, 37,876, or 37 percent, were able to finance themselves, and 37,637, or 36.8 percent,

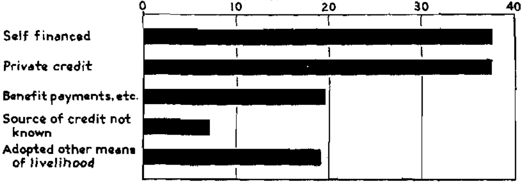

FIGURE 13

1937 BORROWERS WHO DID NOT OBTAIN LOANS IN 1938

had sufficiently increased their credit standing to be eligible for loans from private credit agencies and production credit associations. The remaining 26,834 were enabled to continue farming by means of assistance obtained from benefit payments, such as soil-conservation payments and price adjustments.

The source of credit or means of livelihood in 1938 of the 129,285 borrowers who obtained loans in 1937, but who did not obtain loans in 1938, is shown in figure 13.

On the other hand, as an offset to the 129,285 borrowers who were financed in 1937, but who, in 1938, were no longer dependent on emergency crop and feed loan financing, the results of the study showed that 73,886 new borrowers came to the Emergency Crop and Feed Loan Section in 1938 from other sources. Of these new borrowers, the great majority were financed in 1937 by private credit or with their own resources, 36,851, or 49.8 percent, having been financed by private credit, and 17,314, or 23.4 percent, having financed themselves. With the exception of a small number whose 1937 source of credit could not be determined, the remaining 14,350 new borrowers had been financed in 1937 through the medium of benefit payments, or had not farmed in that year.

The source of credit or means of livelihood in 1937 of the 73,886 new 1938 borrowers is shown in figure 14.

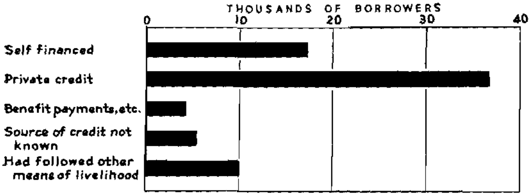

FIGURE 14

1938 BORROWERS WHO HAD NOT BORROWED IN 1937

Summed up, the results of this study indicate that there is a high percentage of borrowers who obtain loans in one year and, in the following year, have improved their economic position to a point where they are able to finance their operations without further emergency financing. However, the study further indicates that this trend away from emergency financing is offset each year, to a considerable degree, by a large number of new borrowers who find themselves unable to obtain loans from other sources and are forced to fall back on emergency crop and feed loans. This recurring number of new borrowers is primarily due to the fact that the resources of the

small farmer financed by the Emergency Crop and Feed Loan Secti are so limited that any unfavorable change in price or crop conditic frequently destroys or impairs his credit and renders him unable finance himself or obtain financing from other sources.

1921–38 LOAN EXPERIENCE

The large annual shift in emergency crop and feed loan borrow shown by the 1938 loan study, by which the loss of old borrowers largely offset each year by the gain of new borrowers, is illustrat by the history of emergency crop and feed loans since the admin tration of such loans was taken over by the Farm Credit Administ tion on May 27, 1933.

Although crop and feed loans have been made at intervals duri the period 1921–38, they were not made generally available throug out the entire country until 1931, when the general economic distre occurring simultaneously with a widespread drought, led to the ma ing of these loans on a Nation-wide basis. They have continued be made on a national basis in each year since 1931.

The administration of crop and feed loans was transferred to t Farm Credit Administration on May 27, 1933, and, as indicated by t following table, there has been a gradual reduction in the loan volu since that date:

Number of loans, by years, 1931–38

Year	Number	Year	Num
1931	438,756	1935	424
1932	507,631	1936	188,
1933	633,586	1937	252
1934	445,189	1938	174,

While the above table shows a general downward trend in the d mand for emergency crop and feed loans during the past 5 years, th downward trend may be interrupted or even forced upward by a dislocation in price or crop conditions affecting large sections of t country or the Nation as a whole. This is illustrated by the loan e perience in 1937 when the loan volume showed an increase of 3 percent over the loan volume of the preceding year.

This increased demand for emergency crop and feed loans in 19 was due to the adverse effect of the 1936 drought on the limited sources of the small farmer, which greatly impaired his ability finance himself or obtain private credit and forced him to fall back emergency crop loan financing. However, with the return of m normal crop conditions in the drought-affected areas in 1937, a la number of small farmers managed to restore their resources and cre and were able to finance themselves in 1938 without the aid of em

gency crop loan financing. As a result, there was a large reduction in the demand for loans in 1938 and a resumption of the general downward trend in loan volume.

As already indicated, the chief factors in the reduction made in the loan volume since the administration of these loans was taken over by the Farm Credit Administration has been the rehabilitation—through this type of financing—of a great number of borrowers to a point where they have been able to finance themselves or obtain financing from production credit associations and private agencies; an increased insistence on restricting these loans to farmers who could not obtain financing from other sources; the denial of further credit to previous borrowers who have not shown good faith; and the improvement in agricultural conditions generally.

COLLECTIONS—1938 LOAN

Of the $19,582,465 loaned in 1938 on emergency crop and feed loans, $11,110,743, or 56.7 percent, had been collected at the close of the year, as compared with 46.4 percent collected on the 1937 loans during a similar period in 1937.

Of the 1938 loans which had matured by December 31, 1938, totaling $17,771,325, $11,090,609, or 62.4 percent, had been collected. The amount of money outstanding on 1938 loans at the close of the year was $8,471,722. Of this amount, $1,388,534 represented winter-wheat loans which will not mature until the summer of 1939.

COLLECTIONS—1921-38

In authorizing emergency crop and feed loans in recent years, Congress has specifically indicated two types, namely, (1) loans for the production of cash crops secured by a first lien on the crops to be planted; and (2) loans for the purchase or production of feed for livestock secured by a first lien on the livestock to be fed.

The number of loans secured by liens on livestock, however, are relatively few. Of a total of 2,627,275 loans made since 1931, only 26,383, or 1 percent, were secured by liens on livestock. Thus, since practically all of the loans are secured only by a lien on the crops financed by the loan, collections have been materially affected by crop yields and market prices. In sections where crops were good and a cash market available, collections have been very satisfactory; in areas of partial or complete crop failure, they have fallen off materially.

Over the entire period 1921-38, $357,955,588 has been loaned on emergency crop and feed loans. Of this amount $241,828,821, or 67.6 percent, has been repaid to date.

As indicative of the relationship of collections to crop conditions, a substantial liquidation of all past-due loans continues to be made each year in areas where crop conditions are satisfactory, and these

collections are made even though the loans have been outstanding for a long period of time and past economic conditions have prevented borrowers from previously making any substantial payment on their loan obligations. As an illustration of the active character of past-due loans, $7,359,358 was collected in 1938 on loans made in 1937 and prior years, and more than $430,000 of this amount was collections on loans made as far back as 1931 and prior years.

UNSECURED DROUGHT LOANS 1934–35

In addition to secured crop and feed loans, the Emergency Crop and Feed Loan Section is charged with the administration of drought feed loans made by that section in drought-stricken areas in 1934–35.

Loans made for this purpose were authorized by an act of Congress approved June 19, 1934, which made available to the Governor of the Farm Credit Administration $96,785,000 for the purpose of making drought feed loans. Of this amount, $72,008,540 had been loaned when the appropriation expired June 30, 1935.

COLLECTIONS ON DROUGHT LOANS

Inasmuch as drought feed loans were made on the basis of the borrower's unsecured note, collections on these loans must necessarily come from livestock or crops of the borrower after liens on such livestock or crops have been satisfied. These liberal terms on which drought loans were made have had a marked effect on their collection. However, the collection experience on these loans in 1938 indicates that a large number of borrowers, due to the continued improvement in the livestock situation, were able to repay their loans after selling their livestock or were able to create an equity in their livestock which enabled them to obtain a loan from production credit associations or private credit agencies to pay off their drought-loan indebtedness. As a result, a steady and material liquidation of these loans was made in 1938.

As of December 31, 1938, $17,244,783, or 23.9 percent of all drought feed loans made from July 3, 1934, to June 30, 1935, have been collected.

ADMINISTRATIVE COSTS

The cost of handling the 1938 crop and feed loan, which included both the making and collecting of 174,590 loans and servicing all unpaid prior loans, numbering 1,352,588, was $3,794,813, or an average of $2.48 for each loan.

Other financial and statistical data relative to the operation of the emergency crop and feed loan offices are found in tables 62 through 70 of the appendix.

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AGRICULTURAL CREDIT CORPORATIONS STOCK PURCHASE LOANS

Prior to the establishment of the Farm Credit Administration, the Secretary of Agriculture was authorized by an act of February 14, 1931, to make loans to individuals for the purpose of assisting them to purchase stock in existing agricultural credit corporations and to assist in the formation of new corporations which would be qualified to rediscount borrowers' notes with the Federal intermediate credit banks. This act appropriated the sum of $20,000,000 to be used in part for this purpose. A second act, approved March 3, 1932, provided for the establishment of a $10,000,000 revolving fund for the same purpose.

From these two appropriations loans were made to 967 individuals for a total amount of $1,513,024, proceeds of which were used to provide a portion of the paid-in capital of 54 agricultural credit corporations and livestock loan companies.

The administration of these loans, pursuant to Executive Order No. 6084, effective May 27, 1933, was transferred from the Secretary of Agriculture to the Governor of the Farm Credit Administration. No loans were made subsequent to this transfer. On the date of transfer, 856 loans, totaling $1,442,444, were outstanding. Of the total loans made, 479, aggregating $997,670.52, have been repaid in full. Other loans have been partially collected, bringing the total of collections on December 31, 1938, to $1,058,875.08. There remain unpaid 488 loans, totaling $454,148.86. Liquidation of loans outstanding is being carried on as rapidly as practicable.

ORGANIZATIONS IN LIQUIDATION

Up to this point this report has concerned itself with the permanent credit units operating under the Farm Credit Administration and with those of a temporary character, which, nevertheless, remain active in their particular field of rural credit. The following section is devoted to three units which are in process of orderly liquidation.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

Paragraph e, section 201, title II of Public, No. 302, Seventy-second Congress, commonly known as the Emergency Relief and Construction Act of 1932, authorized the Reconstruction Finance Corporation to create in any of the 12 farm credit districts a regional agricultural credit corporation with a paid-up capital of not less than $3,000,000. Regional agricultural credit corporations were set up in each of the 12 farm credit districts in accordance with the provisions of this act. These corporations were created to meet the then pressing demand for short-term credit, particularly in the livestock industry.

LIQUIDATION OF EXISTING ORGANIZATIONS

The Executive order effective May 27, 1933, transferred certain features of the regional agricultural credit corporations to the Farm Credit Administration. The regional agricultural credit corporations were placed in orderly liquidation, May 1, 1934, after production credit associations—permanent sources of short-term credit—were organized to fill the place the "regionals" occupied in the emergency.

PROGRESS IN LIQUIDATION

From organization late in 1932 to the end of 1938 regional agricultural credit corporations made loans, exclusive of renewals, to farmers and stockmen aggregating $325,684,348. On December 31, 1938, $11,081,297, or 3.4 percent of the total amount advanced, was outstanding. Repayments from organization to December 31, 1938, aggregated $312,188,152.

On May 1, 1934, outstanding loans totaled $144,671,174. From that date to December 31, 1938, outstanding loans have been reduced $133,589,877, or 92.3 percent. On this latter date, outstanding loans amounted to $11,081,297.

The original paid-in capital of the corporations was $44,500,000. During the period of liquidation, repayments of capital have been, successively, $10,000,000 in 1935; $19,500,000 in 1936; $7,500,000 in 1937; and $2,500,000 in 1938. This represents a total return of the original subscribed capital of $39,500,000, leaving the present capital at $5,000,000.

During the process of liquidation, it has been the policy of the regional agricultural credit corporations to supply additional credit in cases where borrowers have operated in good faith but for valid reasons have been unable to repay or transfer their indebtedness to permanent lending agencies on a reasonable basis. Most of the additional advances have been made in the western livestock areas where severe drought in 1934 and 1936 materially interfered with the program of liquidation. New advances from May 1, 1934, to December 31, 1938, have totaled $64,684,116.

In the process of liquidation it has been necessary for the corporations to acquire title to some of the pledged collateral. From organization to the end of 1938 they have acquired title to property in the amount of $674,907, of which they have disposed of all except $272,778.

Losses through charge-offs, where all present sources of liquidation have been exhausted, and losses through acquiring title to property from organization to date total approximately $2,000,000, or six-tenths of 1 percent of the amount loaned.

Outstanding loans of the regional agricultural credit corporations are appraised and classified periodically and reserves for undetermined losses established in all corporations. As of December 31, 1938, the reserve for loans amounted to $2,999,681.

CAPITAL STOCK

The capital stock of existing corporations, as of December 31, 1938, is as follows:

Regional Agricultural Credit Corporation of—	Paid-in capital Dec. 31, 1938
Washington, D. C.	$300,000
Minneapolis, Minn.	3,900,000
Sioux City, Iowa	200,000
Wichita, Kans., at Denver	200,000
Salt Lake City, Utah	200,000
Spokane, Wash., at Helena	200,000
Total	5,000,000

Note.—The paid-in capital of the regional agricultural credit corporations as of Dec. 31, 1934, was $44,500,000. To Dec. 31, 1938, $39,500,000 of this capital has been repaid.

REDUCTION OF OFFICES AND PERSONNEL

As liquidation progressed, economies have been effected through the mergers and consolidation of offices and corporations, reduction of operating costs and personnel. When the regional agricultural credit corporations were placed in liquidation, there were 12 principal offices and 21 branches. On June 1, 1936, the remaining business of the regional agricultural credit corporations in farm credit districts 1 to 6, was concentrated at Washington, D. C. Pursuant to the authority in the Farm Credit Act of 1937, a new corporation known as the Regional Agricultural Credit Corporation of Washington, D. C., was created September 30, 1937, to take over the assets and liabilities of these 6 regional agricultural credit corporations. Later, on September 1, 1938, the business of the Regional Agricultural Credit Corporation of Fort Worth, Tex., was merged with the Regional Agricultural Credit Corporation of Washington, D. C. During the year 1938 the regional branches at Cheyenne, Wyo., Omaha, Nebr., and Santa Fe, N. Mex., were consolidated with the principal offices. In addition to the Regional Agricultural Credit Corporation of Washington, D. C., others continue to function at Minneapolis, Minn.; Sioux City, Iowa; Denver, Colo.; Salt Lake City, Utah; and Helena, Mont. A branch office is located at Boise, Idaho. A temporary suboffice is maintained at Fort Stockton, Tex.

The rapid progress in liquidation has necessitated a corresponding reduction in personnel. In reducing the personnel an effort has been made to assist worthy employees in obtaining positions elsewhere. On December 31, 1934, the corporations had 1,415 full-time employees and 935 per diem inspectors. On December 31, 1938, the corporations had 174 full-time employees and 163 per diem inspectors.

NEW ACTIVITIES

In response to an urgent demand from livestock producers in certain areas which are understocked because of drought and insect infestation, the regional agricultural credit corporations continued and expanded, to a limited extent, the program which was adopted early in 1937. Loans were made in these areas for the purpose of restocking ranches and for revising existing debt structure of applicants whose personal and operating records were satisfactory and whose earning possibilities indicated debt-repaying capacity.

AGRICULTURAL MARKETING ACT REVOLVING FUND

The Agricultural Marketing Act of June 15, 1929, authorized a revolving fund in the amount of $500,000,000 for use by the Federal Farm Board in making loans to farmers' cooperative associations and stabilization corporations. By Executive Order No. 6084, effective May 27, 1933, the Farm Credit Administration, as successor to the Federal Farm Board, was given the administration of the remaining balance of the Agricultural Marketing Act revolving fund. Active lending operations from this fund were curtailed after the establishment of the Central Bank for Cooperatives and the 12 district banks for cooperatives created under the Farm Credit Act of 1933. A number of loans representing indebtedness to the fund are still outstanding, some of which are not yet due. These loans are being liquidated in an orderly manner.

PROGRESS IN LIQUIDATION

During 1938 loans outstanding were reduced in the total amount of $15,698,273, of which $15,660,567 represented repayments and $37,706 represented charge-offs and transfers of unpaid loan balances to investment in real and other property and to other asset accounts. Foreclosure has been resorted to only when borrowers have consented; when they have not made reasonable efforts to meet their obligations or have abandoned the mortgaged property; or when other conditions made it necessary to take such action for the protection of the interests of the Government.

Pursuant to the program of orderly liquidation of the revolving fund, a number of properties acquired by assignment or foreclosure are being sold in accordance with good business practices and in keeping with Government regulations.

During the year advances from the fund to the cooperative associations amounted to $7,910,500. The net reduction in loans was $7,787,773.

The Grain Stabilization Corporation and the Cotton Stabilization Corporation, which were established under the Agricultural Marketing

Act, have been dissolved, although both remain legally alive for 3 years from the time of dissolution for the purpose of settling their affairs, and longer, if necessary, for the purpose of prosecuting and defending suits. Some claims and receivables still remain to be liquidated, including notes representing an indebtedness on the part of the German Government for the purchase of wheat from the Grain Stabilization Corporation during the latter part of 1931 and early 1932. These notes were assigned to the Federal Farm Board as security for loans made to the Grain Stabilization Corporation from the revolving fund. As of December 31, 1938, the balance due on the notes of the German Government amounted to $2,165,874.

The Farmers National Grain Corporation, which was organized in 1929 by existing grain cooperatives as a national grain sales agency, and which was financed in part by loans from the revolving fund, is now in voluntary liquidation.

SUBSCRIPTION TO STOCK IN BANKS FOR COOPERATIVES

The Farm Credit Act of 1933 under which the Central Bank for Cooperatives and 12 district banks for cooperatives were established, provided for the payment from the revolving fund of the capital stock of these institutions by the Governor of the Farm Credit Administration. Net disbursements from the revolving fund for this purpose aggregate $149,000,000, of which $50,000,000 represents the purchase of stock in the Central Bank for Cooperatives and $99,000,000 represents the purchase of stock in the 12 district banks for cooperatives. Of the total, $4,500,000 was disbursed during 1938.

LOANS OUTSTANDING

Loans from the revolving fund amounting to $91,183,004 remained outstanding on December 31, 1938, as compared with $466,242,668 outstanding on May 27, 1933, when, by Executive Order No. 6084, the Farm Credit Administration succeeded to the functions of the Federal Farm Board. Of the amount of loans outstanding on December 31, 1938, $67,460,014 represented loans to the Grain Stabilization Corporation (now in dissolution) against which a reserve of $65,300,000 has been established. Loans to cooperative associations outstanding on December 31, 1938, amounted to $23,722,990. This included $17,780,914 in merchandising loans and $5,942,076 in facility loans.

Additional data regarding operations and a statement of condition of the revolving fund are given in the appendix tables 75 to 77.

JOINT STOCK LAND BANKS

The Federal Farm Loan Act, approved July 17, 1916, authorized the organization of joint stock land banks. These banks are privately capitalized institutions and were granted power to make long-term amortized loans secured by first mortgages on farm real estate and to issue and sell tax-exempt bonds for the purpose of obtaining funds to make such loans. The Farm Credit Administration, as successor to the Federal Farm Loan Board, exercises general supervisory authority over the banks and directs their liquidation in cases of receivership.

During the period April 24, 1917, to July 1, 1931, the Federal Farm Loan Board issued charters to 88 joint stock land banks.

The Emergency Farm Mortgage Act of 1933 provided that after May 12 of that year none of these banks should issue tax-exempt bonds or make farm loans, except as they were necessary and incidental to the financing of existing bond issues or loans, or to the sale of any real estate owned or acquired by the banks.

The number of joint stock land banks had been reduced to 50 on May 12, 1933; of this number 3 banks were in receivership and 47 were being operated by their own managements. On December 31, 1938, 6 banks were in receivership and 38 were being operated by their own managements. Of the latter, 6 banks were operating under plans of voluntary liquidation adopted pursuant to the provisions of sections 16 and 29 of the Federal Farm Loan Act.

PROGRESS IN LIQUIDATION

The following table summarizes the progress made in the liquidation of the banks not in receivership on December 31, 1938:

Reduction in gross assets and secured liabilities, by years, May 1, 1933, through Dec. 31, 1938

Period	Gross assets		Bonds and notes payable	
	Amount of reduction	Percent of amount on May 1, 1933	Amount of reduction	Percent of amount on May 1, 1933
May 1 to Dec. 31, 1933	$28,191,664	5.8	$36,005,393	8.7
1934	110,044,458	22.6	103,037,003	24.8
1935	73,745,387	15.1	66,167,450	16.0
1936	37,243,584	7.7	35,280,203	8.5
1937	42,002,968	8.6	34,056,815	8.2
1938	26,241,560	5.4	20,668,844	5.0
Total reduction	317,469,621	65.2	295,215,768	71.2
Amount remaining Dec. 31, 1938	169,549,015	34.8	119,665,916	28.8
Total on May 1, 1933	487,018,636	100.0	414,881,684	100.0

During each of the last 3 years the total reduction in the gross assets of these banks has reached a stable level of from 5.4 to 8.6 percent of the assets held by the institutions on May 1, 1933. The relationship between the reduction in the gross assets and the reduction in bonds and notes payable, however, has grown increasingly less favorable. Part of this is the result of the decrease in the amount of discounts which the banks were able to obtain in purchasing their bonds. This less favorable relationship in 1938, however, resulted principally from the use of a sizable amount of the proceeds received from the liquidation of assets to pay dividends including final liquidating dividends for 3 banks, with of course, no corresponding reduction in bonds or notes payable.

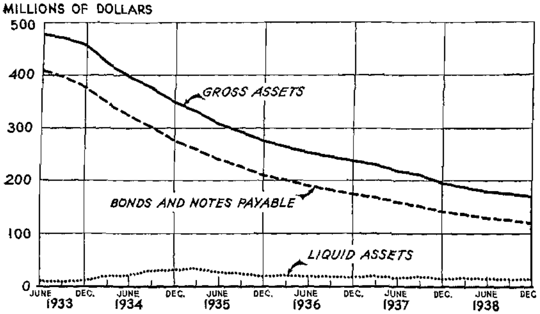

FIGURE 15

PROGRESS IN LIQUIDATING JOINT STOCK LAND BANKS

The decrease in total assets for all banks from May 1, 1933, through December 31, 1938, amounts to 65.2 percent. There have, however, been wide variations in the extent of liquidation among the individual banks. Of the 47 banks, 6 have, since May 1, 1933, liquidated less than one-half of their assets; 24 have liquidated from 50 to 75 percent; 8 have liquidated from 75 to 99.9 percent; 3 banks were placed in receivership; and the remaining 6 banks have completed liquidation and have surrendered their charters. These latter banks are the Mississippi Joint Stock Land Bank of Memphis, Tenn., which was merged with the Tennessee Joint Stock Land Bank of Memphis on February 28, 1934; the Corn Belt Joint Stock Land Bank of Taylorville, Ill., which was dissolved on May 25, 1934; the Tennessee Joint Stock Land Bank of Memphis, which was dissolved on December 13, 1937; the Pacific Coast Joint Stock Land Bank of San Francisco, which was dissolved on August 24, 1938; the Union Joint Stock Land Bank of

Louisville, which was dissolved on June 21, 1938; and the Maryland-Virginia Joint Stock Land Bank of Baltimore, which was dissolved on June 23, 1938.

When the Mississippi bank was liquidated through its merger with the Tennessee bank, the latter acquired the assets and assumed the liabilities of the former. In each of the other instances the plan for voluntary liquidation, authorized by the bank's stockholders and approved by the Farm Credit Administration, made satisfactory provision for meeting the bank's obligations. Unpaid bond obligations, including interest, are covered by cash deposited in the United States Treasury and in some instances additional funds were placed in escrow to cover other miscellaneous obligations of the bank. Final liquidating dividends were paid with the approval of the Farm Credit Administration.

During 1933, 1934, and the early part of 1935 a large volume of joint stock land bank loans was refinanced by the Federal land banks and the Land Bank Commissioner. In more recent years, however, the amount of loans refinanced by these organizations has decreased markedly, so that in 1937 and 1938 the principal sources of mortgage-loan refinancing were insurance companies and other agencies. The investment in loans refinanced by Federal land banks or the Land Bank Commissioner and by other agencies, and the percentage of recovery, is shown, by years, in the following table:

Investment in and recovery on loans refinanced May 1, 1933–Dec. 31, 1938, by years

Period	Refinanced by Federal land banks or Land Bank Commissioner		Refinanced by other agencies	
	Investment	Percent of investment recovered	Investment	Percent of investment recovered
May 1 to Dec. 31, 1933	$9,198,904	92.5	$5,576,596	83.5
1934	90,972,005	91.9	2,556,569	89.0
1935	31,763,724	89.3	8,516,760	97.8
1936	7,908,117	96.9	8,321,078	97.1
1937	3,101,149	97.0	7,650,806	99.1
1938	1,497,013	98.9	3,979,517	99.7
Total	144,440,912	91.8	36,601,326	95.3

During the period of the banks' liquidation since May 1, 1933, 78.3 percent of total mortgage loans outstanding has been liquidated. Of the total amount liquidated, 60.9 percent represented loans sold or paid in full by borrowers, 9.6 percent comprised amortization and special payments by borrowers, 27.2 percent represented foreclosure and voluntary deeds, and the remaining 2.3 percent was made up of charge-offs and miscellaneous adjustments. Since May 1, 1933, 417 loans have been added to the mortgage loan account; these additions

represent refunding loans and purchase money mortgages approved as eligible collateral for the outstanding bonds of the banks.

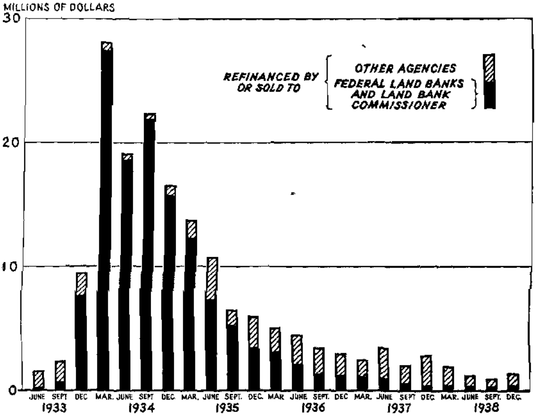

FIGURE 16
LOANS REFINANCED OR SOLD BY JOINT STOCK LAND BANKS NOT IN RECEIVERSHIP

The changes in the principal classes of assets and liabilities during the past year are presented in further detail in the following table:

Changes in assets and liabilities during 1937 and 1938, excluding banks in receivership

[In thousands of dollars]

Item	Amount outstanding Dec. 31		Amount of change during year		Percent change during year	
	1937	1938	1937	1938	1937	1938
ASSETS						
Mortgage loans	$99, 276	$83, 467	−$27, 240	−$15, 809	−21. 5	−15. 9
Purchase money mortgages, contracts, etc.	25, 242	24, 036	2, 655	−1, 206	11. 8	−4. 8
Cash and securities	17, 076	16, 741	−4, 665	−335	−21. 5	−2. 0
Real estate, sheriffs' certificates, etc.	49, 249	41, 520	−1, 749	−7, 729	−3. 4	−15. 7
Other assets	3, 509	2, 761	−773	−748	−18. 1	−21. 3
Total	194, 352	168, 525	−31, 772	−25, 827	−14. 1	−13. 8
LIABILITIES						
Bonds	133, 172	111, 373	−31, 638	−21, 799	−19. 3	−16. 4
Notes payable	7, 163	8, 293	−2, 218	1, 130	−23. 6	15. 8
Miscellaneous liabilities	5, 919	5, 424	−1, 503	−495	−20. 3	−8. 4
Capital stock and paid-in surplus	35, 727	34, 117	−1, 377	−1, 610	−3. 7	−4. 5
Earned surplus, reserves, and undivided profits	12, 371	9, 318	5, 164	−3, 053	71. 7	−24. 7
Total	194, 352	168, 525	−31, 772	−25, 827	−14. 1	−13. 8

Tables 78, 79, and 80 in the appendix show for individual banks the changes in total assets and bonds and notes payable as well as the changes in the principal classes of assets.

REAL ESTATE

During 1938 the joint stock land banks disposed of real estate, sheriffs' certificates, and judgments representing 1,678 farms and parts of 349 farms which represented an investment of $11,010,840 and a carrying value of $9,066,942. The total consideration received for these sales was $9,480,106, which was equivalent to 86.1 percent of the investment and 104.6 percent of the carrying value. In 1937 the banks sold 2,558 farms and parts of 502 farms with an investment of $18,146,269 for a consideration of $17,176,122 which represented 94.7 percent of the investment and 110.1 percent of the carrying value of these properties.

During 1938 a total of 866 farms, sheriffs' certificates, and related items were acquired which represented an investment of $4,840,860. This may be compared with the 1,266 items acquired in 1937, representing an investment of $9,026,921.

The investment in and recoveries made on real estate sold, the investment in real estate acquired, and the investment in real estate owned at the end of each year is shown by years in the following table. The number of units in each case is shown also:

Farms and sheriffs' certificates sold and acquired during each year, and on hand at end of year, May 1, 1933–Dec. 31, 1938

Period	Sold				Acquired		On hand Dec. 31	
	Number		Investment	Percent of investment recovered	Number	Investment	Number	Investment
	Whole	Part						
May 1 to Dec. 31, 1933	1,740	340	$12,091,464	74.7	2,290	$16,838,650	8,041	$62,567,848
1934	3,315	479	20,169,479	82.4	3,844	25,230,061	8,565	67,781,437
1935	3,099	513	19,954,312	90.6	3,714	23,944,854	9,149	72,830,026
1936	2,967	629	20,349,337	90.5	2,298	15,562,652	8,464	67,416,767
1937	2,558	502	18,146,269	94.7	1,266	9,026,921	7,098	58,412,836
1938	1,678	349	11,010,840	86.1	866	4,840,860	6,181	50,976,700
Total	*15,357*	*2,812*	*101,721,701*	*87.3*	*14,278*	*95,443,998*		

BOND OPERATIONS

Cash obtained from the liquidation of the assets of the banks is used to retire bonds through the call of outstanding issues or through the purchase of bonds in the open market and to pay off notes payable. During 1938, a reduction of $21,798,900 was made in outstanding bonds in hands of investors while notes payable increased $1,130,056,

making a net decrease in such obligations of $20,668,844, or 14.7 percent.

The changes during the past year in the outstanding bonds of the joint stock land banks may be summarized as follows:

Outstanding Dec. 31, 1937:		
In hands of investors	$133, 171, 698	
Banks' own bonds on hand	3, 616, 400	
		$136, 788, 098
Issued during 1938		10, 559, 000
Total		147, 347, 098
Retired during 1938		34, 281, 250
Outstanding Dec. 31, 1938:		
In hands of investors	111, 372, 798	
Banks' own bonds on hand	1, 693, 050	
		113, 065, 848

During 1938, 7 banks issued $10,559,000 in bonds to refund issues bearing higher interest rates. Since the liquidation period began a number of banks have placed themselves in a position to issue refunding bonds by securing all outstanding bonds with eligible collateral through the aid of loans obtained on the security of ineligible assets. Since May 1, 1933, a total of 15 banks have issued refunding bonds in the aggregate amount of $54,620,000. These refunding issues have borne interest rates ranging from 1 to 4 percent.

A total of $23,497,600 of bonds was called at par by 20 banks during 1938. These figures include the call for bonds in connection with refunding operations as well as calls in cases where the banks used the proceeds obtained from the liquidation of assets to retire these obligations. In addition to those called for redemption, some bonds matured during the year and some were purchased prior to maturity. The total retirement of bonds by all banks amounted to $34,281,250.

Table 84 in the appendix shows by banks the bonds issued and the bonds retired during 1938 and outstanding December 31, 1938.

FINANCIAL CONDITION

On December 31, 1938, 22.6 percent of the $84,524,653 of mortgage loans of the joint stock land banks was delinquent, as compared with 24.4 percent at the end of the preceding year. At the close of 1938 the banks had outstanding 18,888 loans with an unpaid principal of $65,391,732 upon which no installments were in default. These loans amounted to 38.6 percent of the banks' total assets. On the same date there were 3,581 delinquent loans amounting to $19,132,921, constituting 11.3 percent of the total assets of the banks.

Purchase money mortgages, real estate sales contracts, and notes receivable amounting to $24,036,039 comprised other interest-bearing assets of the banks on December 31, 1938, and represented 14.2 per-

cent of the total assets on that date. Delinquencies comprised $6,246,683 of this amount. Cash and securities on hand on December 31, 1938, amounted to $16,741,204, or 9.9 percent of total assets. On the same date real estate, sheriffs' certificates, and judgments comprised 24.5 percent of the banks' assets, as compared with 25.2 percent on December 31, 1937. At the close of 1938 the real estate, sheriffs' certificates, judgments, and other low-income-producing assets in the form of delinquent loans, mortgages, and contracts comprised 49.9 percent of the total assets of the banks, while on December 31, 1937, these items amounted to 50.6 percent of the total assets.

Of the 38 banks in operation on December 31, 1938, 12 operated at a cash gain during the year, as compared with 11 out of 41 banks which operated at a cash gain in 1937. A number of the banks improved their earning position during the year by refinancing their high-rate bonds into lower-rate obligations. The total cash operating income of the banks received from all sources amounted to $9,336,935, while the interest and operating expenses of the banks required the disbursement of $10,054,864, resulting in a net cash operating loss of $717,929.

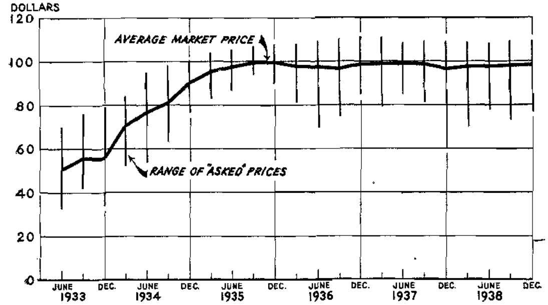

FIGURE 17

AVERAGE MARKET PRICE, AND RANGE OF ASKED PRICES FOR JOINT STOCK LAND BANK BONDS, AS OF LAST DAY OF EACH QUARTER

During 1938 the Farm Credit Administration approved the payment of 12 dividends, including the final liquidating dividends of 3 banks. The Pacific Coast Joint Stock Land Bank of San Francisco paid an 80-percent dividend on March 31, a 50-percent dividend on July 11, and a final liquidating dividend of 1.05977 percent on August 24. Total liquidating dividends which were paid during 1937 and 1938 for this bank amounted to $331.60 per share of $100 par value capital stock. The final liquidating dividend of the Maryland-

Virginia Joint Stock Land Bank was paid on June 22 and was equivalent to fifteen one-hundredths of 1 percent; this brought the total liquidating dividends of this bank up to $97.35 per share of capital stock. On June 21, 1938, the Union Joint Stock Land Bank of Louisville paid its first and final liquidating dividend. This dividend, paid to the bank's stockholders, comprised all of the remaining assets of the bank, the total carrying value of which was $464,427.46.

Under its plan of voluntary liquidation the California Joint Stock Land Bank on August 1 paid a 22 percent liquidating dividend. The Illinois Joint Stock Land Bank, pursuant to its plan of voluntary liquidation, paid 2 dividends of 20 percent each—1 on August 23 and the other on December 15. On November 19 the Greensboro Joint Stock Land Bank paid a 35-percent dividend under its plan of voluntary liquidation.

The Pacific Coast Joint Stock Land Bank of Salt Lake City paid a 50-percent dividend to its stockholders on March 1 and another of 20 percent on October 1. A dividend of 6 percent was paid on December 30 to the stcokholders of the Union Trust Joint Stock Land Bank of Indianapolis.

In addition to the 12 foregoing dividends, on December 20 the Minneapolis-Trust Joint Stock Land Bank paid a 5 percent liquidating dividend on its certificates of participation, issued under the bank's plan of voluntary liquidation adopted in 1934. Dividends equivalent to 37 percent of the original amount of these participating certificates have been paid through December 31, 1938.

LOANS TO JOINT STOCK LAND BANKS

Sections 30 and 31 of the Emergency Farm Mortgage Act of 1933 authorized the Reconstruction Finance Corporation to make available for a period of 2 years the sum of $100,000,000, as a means of assisting the orderly liquidation of the banks. This amount was to be used for the purpose of making loans to joint stock land banks under certain specified conditions. After several extensions, authority to make loans under section 30 of the act was allowed to expire on May 13, 1937. None of the banks had applied for loans under that section.

The Farm Credit Act of 1937 reduced from $25,000,000 to $2,000,000 the amount available for loans under section 31 and provided that these funds were to be supplied by the Federal Farm Mortgage Corporation. Authority to make these loans expired on July 1, 1938, and no disbursements were made by the Federal Farm Mortgage Corporation under this provision of the law. During the period in which loans could be made under section 31, a total of $2,082,679 was loaned

to 12 banks. At the close of 1938, there were outstanding loans in the total amount of $39,110 to 2 banks.

Under the provisions of the Farm Credit Act of 1937 the Federal Farm Mortgage Corporation was authorized to make loans to joint stock land banks on the security of real estate mortgages, sheriffs' certificates, sales contracts, and real estate upon terms and conditions to be prescribed by the directors of the Corporation, with the limitation, however, that the aggregate amount of such loans may not at any one time exceed $10,000,000. To date no loans have been made to joint stock land banks under this provision.

JOINT STOCK LAND BANKS IN RECEIVERSHIP

Nine joint stock land banks have been placed in the hands of receivers. The liquidation of the Kansas City Joint Stock Land Bank of Kansas City, Mo., the Ohio Joint Stock Land Bank of Cincinnati, Ohio, and the Bankers' Joint Stock Land Bank of Milwaukee, Wis., has been completed through receivership and final liquidating dividends have been declared and paid to all bondholders who deliver their bonds to the respective receivers and proved their claims. Funds to which the holders of unpresented bond obligations of these 3 banks are entitled are held by the Treasurer of the United States, subject to the order of the Governor of the Farm Credit Administration, and information concerning the filing of claims on such unpresented bond obligations may be obtained by addressing the Farm Credit Administration, Washington, D. C. Six banks are still in process of liquidation, 1 of which was placed in receivership January 12, 1938.

The receivers of 5 of the 6 banks currently being liquidated, have paid liquidating dividends to bondholders who have made delivery of their bonds to the respective receivers and proved their claims. Holders of bond obligations who have not made delivery to the receiver and proved their claims will receive the dividend or dividends to which they are entitled when proper proof of their claims is made.

PROGRESS IN LIQUIDATION

The 6 banks which have not completed liquidation and the dates on which they were placed in receivership follow:

Southern Minnesota Joint Stock Land Bank of Minneapolis	May 2, 1932
St. Louis Joint Stock Land Bank of St. Louis	June 1, 1932
Chicago Joint Stock Land Bank of Chicago	Oct. 1, 1932
Oregon-Washington Joint Stock Land Bank of Portland	May 1, 1936
Burlington Joint Stock Land Bank of Des Moines	Dec. 12, 1936
Northwest Joint Stock Land Bank of Portland	Jan. 12, 1938

The progress made in the liquidation of these 6 banks during 19
is indicated in the following table:

Reduction of assets of joint stock land banks in receivership during 1938

Assets	Book amount, Dec. 31		Change during 1938	
	1937	1938	Amount	Percen
Mortgage loans	$4,727,560	$3,758,092	-$969,468	-2
Purchase money mortgages and contracts	4,149,359	3,594,354	-555,005	-1
Real estate, sheriffs' certificates, etc.	14,002,976	12,365,568	-1,637,408	-11
Other assets except cash and securities	63,169	70,782	7,613	1
Total	22,943,064	19,788,796	-3,154,268	-1
Cash and securities	5,308,854	5,543,811	234,957	4
Grand total	28,251,918	25,332,607	-2,919,311	-1

The sale or refinancing of mortgage loans accounted for a reductio in assets of $910,209. The average recovery on the disposition of suc loans was 96.3 percent of the book value. During 1938, 281 farm and sheriffs' certificates and parts of 40 farms, representing a boo value of $2,008,732, were sold by the 6 receiverships for a total cor sideration of $1,419,375, or 70.7 percent of the book value of th assets sold. Tables 86 to 88 of the appendix show additional detai relating to the operations of the receivers.

BURLINGTON JOINT STOCK LAND BANK RECEIVERSHIP

The Burlington Joint Stock Land Bank of Des Moines was cha tered in 1923 and placed in receivership December 12, 1936. Ou standing farm loan bonds at date the bank was placed in receivershi totaled $667,400, while the book value of the bank's total assets wa $849,191. Since the territory in which this bank operated coincide in part with that of the Chicago Joint Stock Land Bank, also in receiv ership, the same receiver was appointed for the 2 organizations i order to minimize operating costs and the operations of tho trust were centered in Chicago. The office of the 2 trusts was moved t No. 930 Des Moines Building, Des Moines, Iowa, on October 28, 1938 This move was made to locate the principal office of the trusts neare the territory in which the remaining assets of the receiverships ar located and to reduce expenses.

During 1938 the first liquidating dividend of 25 percent was pai to holders of bond obligations of the bank who delivered them to th receiver and proved their claims. On December 31, 1938, the remain ing assets of the trust nad a book value of $405,132, including $53,03 of cash and United States Government securities.

CHICAGO JOINT STOCK LAND BANK IN RECEIVERSHIP

The Chicago Joint Stock Land Bank was chartered in 1917 under the name of First Joint Stock Land Bank of Chicago. On October 1, 1932, the bank was placed in receivership. At that date, the book value of the bank's assets aggregated $44,739,586 and the par amount of bonds outstanding was $42,724,100. As explained above, the office of this receivership, which had formerly been in Chicago, was moved to No. 930 Des Moines Building, Des Moines, Iowa, on October 28, 1938.

The initial dividend of 30 percent of the bond obligations of the bank was declared on September 14, 1934; three dividends of 10 percent each were declared in 1935; two of 5 percent each, during 1936; one of 2½ percent, in 1937; and another of 2½ percent in 1938. These dividends total $32,705,046 and are equivalent to 75 percent of the par amount of bond obligations of the bank which had not matured prior to October 1, 1932.

In addition to the foregoing dividends, a first and final dividend in the amount of $44,754—which is equal to unpaid coupons matured prior to October 1, 1932, appertaining to bonds of the bank—was declared March 8, 1935, out of funds set aside in trust by the bank prior to receivership for the payment of such coupons. This dividend was payable to the registered holders of the certificates issued by the receiver whose names appeared on the books of the receiver at the close of business on March 15, 1935.

On December 31, 1938, the remaining assets of the bank, including $658,114 of cash and United States Government securities, had a total book value of $4,918,333.

OREGON-WASHINGTON JOINT STOCK LAND BANK RECEIVERSHIP

The Oregon-Washington Joint Stock Land Bank of Portland, which was placed in receivership on May 1, 1936, was chartered in 1922. At the time the bank was placed in receivership, it had outstanding farm loan bonds aggregating $2,038,500, while the total assets had a book value of $2,464,247.

During 1938 the first liquidating dividend of 20 percent of the bond obligations was paid to holders of such obligations who had made delivery to the receiver and proved their claims. On December 31, 1938, the trust had on hand assets with a total book value of $1,919,036, including $253,838 in cash and United States Government securities.

ST. LOUIS JOINT STOCK LAND BANK RECEIVERSHIP

The St. Louis Joint Stock Land Bank was chartered in 1922 and in 1925 acquired the assets and assumed the liabilities of the Central Illinois Joint Stock Land Bank of Greenville and the Southeast

Missouri Joint Stock Land Bank of Cape Girardeau. The bank w placed in receivership on June 1, 1932. On that date it had farm lo bonds outstanding in the amount of $18,134,500 and had assets w a total book value of $18,581,815.

The initial liquidating dividend of 20 percent was paid to hold of receiver's certificates registered on the books of the trust at t close of business on May 15, 1935. The second and third dividends 10 percent each were paid on January 25 and November 28, 19 respectively. The three dividends aggregate $7,365,882. Payme of additional dividends has been deferred pending disposition of li gation affecting the assets of the receivership. At the end of 19 the trust had on hand assets with an aggregate book value of $7,98 436, including $4,179,154 in cash and United States Governme securities.

Under the plan of the bondholders' protective committee, which v published on October 16, 1934, and described in the second ann report of the Farm Credit Administration the committee proposed take over and liquidate the remaining assets of the trust. This p was abandoned by a resolution adopted by the committee on Octo 7, 1938.

SOUTHERN MINNESOTA JOINT STOCK LAND BANK RECEIVERSHI

The Southern Minnesota Joint Stock Land Bank was chartered 1919 under the name of Southern Minnesota Joint Stock Land Ba of Redwood Falls, and in 1923 acquired the assets and assumed liabilities of the First Joint Stock Land Bank of Minneapolis. May 2, 1932, the bank was placed in receivership. On that date had outstanding farm loan bonds totaling $21,038,700 and ass with a total book value of $22,658,955.

Since the first liquidating dividend of 20 percent of the bond obli tions of the bank was paid to holders of receiver's certificates registe on the books of the trust as of January 31, 1935, dividends of 6, and 4 percent were paid to registered holders as of September 1935, June 24, 1937, and August 3, 1938, respectively. On Decem 31, 1938, the assets of the trust had an aggregate book value $10,091,987, including $398,237 of cash and United States Gove ment securities.

NORTHWEST JOINT STOCK LAND BANK RECEIVERSHIP

The Northwest Joint Stock Land Bank was chartered in 1922 a adopted a plan of voluntary liquidation in 1925. Pursuant to t plan the Federal Land Bank of Spokane assumed the outstandi bonds of the bank and took over all the loans and other assets exce certain items having a present estimated recovery value of abo $15,000. On January 12, 1938, a receiver was appointed to exped

final liquidation. These assets being located in the territory of the Oregon-Washington receivership, the receiver of that trust was appointed receiver of the Northwest receivership, as well. On December 31, 1938, the assets of the trust had an aggregate book value of $17,683, including $1,436 of cash.

WASHINGTON OFFICE OF THE FARM CREDIT ADMINISTRATION

The Cooperative Marketing Act of 1926 and the Agricultural Marketing Act passed in 1929 both reflected the intent of Congress to encourage the formation and development of cooperative business undertakings by farmers as a means of assisting agriculture, reducing the costs of marketing distribution, and increasing the satisfaction which consumers derive through lowering of the cost barriers between the producers and themselves.

Both acts of Congress directed achievement of these ends by the acquisition, analysis, and dissemination of economie, statistical, and historical information regarding the organization, progress, and business methods of cooperative associations; by making studies of the economic, legal, and financial phases of cooperation; and to promote education in the principles and practices of cooperative marketing associations as well as to encourage their development and indicate improvement in their practices.

During 1938 the Governor of the Farm Credit Administration placed all research work under the supervision of a Deputy Governor in order to correlate the various existing research and service activities of that agency. Two divisions have been brought under this authority: The Cooperative Research and Service Division and the Economic and Credit Research Division. Both are charged with the development of research and service programs in their respective fields.

As with every large business institution, integration of the work is done through the various divisions closely coordinated in the Washington office and cooperating with the 12 district offices of the Farm Credit Administration. In the Administrative Division a central personnel office, operating with personnel officers in the field, continued over the past year to formulate employee classification, compensation standards, and other personnel fundamentals. A planning subdivision served both the Washington and district offices in matters relating to organization, procedure, and business methods. A Division of Information and Extension disseminated through avenues of the press and radio and through pamphlets and other publications information concerning the functions and activities of the Farm Credit Administration. The division also continued to promote knowledge of agricultural credit through cooperation with the Extension Service of the Department of Agriculture and the Office of Education of the Department of the Interior.

EXAMINATION DIVISION

The Examination Division is responsible for making examinatio of all *institutions* and agencies operating under the jurisdiction the Farm Credit Administration, with the exception of the emergenc crop and feed loan offices. It is also responsible for analyzing ar interpreting the information contained in examination reports.] addition, it conducts such special or confidential investigations as a authorized by the Governor.

The divisional examining offices operate under the direction supervising examiners and these are located at Washington, D. C Memphis, Tenn.; St. Paul, Minn.; and Portland, Oreg.

A summary of the number of institutions examined, the number examinations scheduled, and the number of examinations complet during the year ended December 31, 1938, is shown in the followi table:

Examinations scheduled and made during 1938

Organization	Number of organizations examined	Number of examinations scheduled	Number examina tions ma
Bank and corporation unit:			
Federal land banks	[1] 12	24	
District offices of the Federal Farm Mortgage Corporation	[1] 12	24	
Federal intermediate credit banks	[1] 12	24	
Production credit corporations	12	12	
Banks for cooperatives	[2] 13	26	
Registrars' offices	12	24	
General agents' offices	12	24	
Federal Farm Mortgage Corporation	1	2	
Bond and Cash Section	1	1	
Custodian of Securities	1	1	
Office of Fiscal Agent	1	2	
Washington Accounting Section	1	1	
Agricultural Marketing Act revolving fund	1	1	
Regional agricultural credit corporations	[3] 11	20	
Joint stock land banks	[5] 41	80	
Joint stock land banks in receivership	[4] 9	15	
Association unit:			
National farm loan associations	[6] 4,918	4,918	4, 9
Loan correspondents	511	511	5
Production credit associations	[7] *550*	*550*	5
Credit union unit:			
Federal credit unions	2,232	2,232	2, 2

[1] Puerto Rico office included but not counted separately.

[2] *Includes Central Bank for Cooperatives, Washington, D. C.*

[3] Fort Worth Regional Agricultural Credit Corporation examined only once; Cheyenne Branch of Sio City Regional Agricultural Credit Corporation examined only once.

[4] *Does not include 1 special examination each of the Burlington and Chicago joint stock land bank* ceiverships.

[5] 3 final examinations included.

[6] 91 reexaminations not included.

[7] 8 reexaminations not included.

LEGAL DIVISION

LITIGATION

The litigation of farm credit institutions, except that of a local haracter, is supervised by a Litigation Section of the Legal Division, nder the immediate direction of the General Solicitor. The banks nd corporations of the farm credit system report all cases which nvolve the interpretation of acts of Congress or rules and regulations ssued thereunder or the legal effect of uniform business practices. This procedure insures uniformity in the presentation of legal quesions to the courts and minimizes the duplication of legal research in listrict offices.

The following statement outlines, under appropriate subheads, the nost significant litigation of the past year.

FEDERAL INTERMEDIATE CREDIT BANKS

A decision of importance to the Federal intermediate credit system vas rendered in August 1938 by the United States District Court for he District of Kansas, in a case styled *The Colorado Agricultural inance Corporation* v. *Federal Intermediate Credit Bank of Wichita.* The corporation had made numerous loans to farmers secured by varehouse receipts on pinto beans of the 1930 crop. The corporaion rediscounted the paper with the Federal intermediate credit ank, endorsing the notes and transferring the collateral receipts. Thereafter, there was a sharp decline in the bean market, and in nany instances the value of the collateral dropped below the face mount of the notes. At the corporation's request, extensions were ranted by the bank in connection with many of the notes. Ultinately, upon liquidation of all collateral, the bank sustained a loss f more than $30,000 on the entire line of credit. The loss would ave been considerably greater but for payments made from time to ime by the corporation as endorser of the notes in reduction of the otal amount evidenced by the rediscounted paper.

In its complaint, the corporation asserted that the entire series of ransactions constituted a joint enterprise, undertaken by it and the ank for profitable business in financing the operations of bean rowers. The corporation claimed that the enterprise was controlled y an oral agreement whereunder the corporation was to receive a eturn of 2 percent per annum on the face amount of all the notes ediscounted with the bank; also, that the bank would extend the ime for payment of all such notes if, at the original maturity date r any extended maturity date, the value of the collateral beans was ess than the face amount of the notes.

The court found, as a matter of fact, that there was no joint enter- prise or oral agreement as claimed by the corporation. The court further found, as a matter of law, that such a joint enterprise would have been illegal, as beyond the power of the Federal intermediate credit bank. In ruling upon the law of the case, the court expounded the provisions of the act governing such banks (12 U. S. C., sec. 1021 et seq.) and held that those provisions limit and control the powers of an intermediate credit bank, the types of business which it may or may not lawfully transact, and the legal consequences of certain transactions which are a part of the routine business of each bank.

JOINT STOCK LAND BANKS IN RECEIVERSHIP

A case of great importance to the land bank system was decided in October 1938 by the United States District Court for the Eastern District of Missouri—*Ernest E. Andrews* v. *St. Louis Joint Stock Land Bank et al.* The court sustained a long-standing administrative in- terpretation of the Federal Farm Loan Act, holding that mortgages and other assets which are deposited from time to time with a farm loan registrar as collateral security for farm loan bonds constitute collective security for all bonds issued or assumed by a joint stock land bank, without distinction or preference as to particular bond issues and without preference or priority of one bond over another.

The *Andrews case* was the first squarely to raise the single ques- tion: Whether collateral security pledged by a land bank at the time of issuing a new series of bonds is (1) a special pledge securing that particular series or (2) an enlargement of a collateral pool securing all bond obligations of the bank. The decision of that question turned upon an interpretation of the provisions of the Federal Farm Loan Act governing the issuance and security of bonds by Federal land banks and joint stock land banks. In administering the law the Farm Credit Administration and its predecessor, the Federal Farm Loan Board, had applied the theory of a collateral pool in regulating all transactions with respect to farm loan bonds and col- lateral and in prescribing the accounting system of Federal and joint- stock land banks.

The history of the *Andrews case* has been stated at length in the last three annual reports. Throughout the complicated litigation Farm Credit Administration attorneys cooperated with the receiver of the joint stock land bank and his counsel.

In *Holmberg* v. *Anchell* (August 1938) the United States District Court for the Southern District of New York affirmed the theory of collective security for farm loan bonds. That was a suit brought by creditors of the insolvent Southern Minnesota Joint Stock Land Bank to enforce the personal liability of shareholders residing in New York. The suit was vigorously defended on the ground, among

others, that the shareholders' liability did not extend to bond obligations assumed by the bank some years previously upon purchasing the assets and assuming the liabilities of another joint stock land bank, as permitted by the Federal Farm Loan Act. The shareholders contended that the Southern Minnesota Joint Stock Land Bank exceeded its statutory authority to assume the bond liabilities of the other bank, for the reason that successive bond issues had not been separately secured by specific pledges of collateral. The court overruled that defense, holding that the Federal Farm Loan Act contemplates collective security for all bond obligations of a land bank

A case styled *Bankers Farm Mortgage Company* v. *The United States of America* was filed in the Court of Claims in July of 1938. The plaintiff is the principal bondholder of the Bankers Joint Stock Land Bank of Milwaukee, Wis., which was declared insolvent by the Federal Farm Loan Board in 1927 and placed in the hands of a receiver. The Board's receiver liquidated the assets of the bank and paid a final liquidating dividend to known creditors on February 15, 1933. A relatively small sum is still held for unknown creditors who have not yet filed proofs of claim.

In the present suit the plaintiff seeks a judgment against the United States for $553,221.55, alleged to have been improperly withheld from liquidating dividends by the Farm Loan Board's receiver. The plaintiff asserts that the amount in question was expended by the receiver for general administrative purposes, including salaries allowed by the Farm Loan Board to the receiver and his counsel, traveling expenses etc. The case appears to be based upon the theory that the expense of liquidating and distributing the assets of an insolvent joint stock land bank should be borne by the Government since the Federal Farm Loan Act does not expressly authorize the charging of such expense to the assets of the insolvent corporation. Farm Credit Administration attorneys are cooperating with the Department of Justice in the defense of this suit.

In January 1938 the Supreme Court of the United States settled a conflict between the decisions of different jurisdictions concerning the procedure for enforcing the personal liability of shareholders of an insolvent joint stock land bank. The question at issue was whether creditors may bring suit in the Federal court for the district where the bank is located against the shareholders as a class and obtain a judicial determination of the deficiency of the bank's assets and the amount for which all shareholders are liable. In *Christopher* v. *Brusselback* (302 U. S. 500), the Supreme Court held that the decree of the Federal court was not binding upon any shareholders except those who were personally served with process in the judicial district; and that the court had no jurisdiction to determine the extent of the insolvency of the joint stock land bank by a decree which is binding upon absen

shareholders. The court pointed out that the Federal Farm Loan Act does not prescribe the procedure for enforcing the personal liability of shareholders but merely fixes the conditions on which liability is to attach.

The rule of the *Christopher case* makes it necessary for the creditors of an insolvent joint stock land bank to sue shareholders wherever they may be found and to prove in each case the insolvency and deficiency of the assets of the bank. That procedure had not previously been followed, and its adoption by creditors may affect the work of the Farm Credit Administration. Consideration is being given to the administrative problems which are anticipated, particularly with respect to the burden that may be placed upon the administrative receivers of insolvent joint stock land banks, in furnishing evidence to be used in numerous trials in various jurisdictions.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

An important question concerning the law of Government corporations is involved in a case now pending before the Supreme Court of the United States—*Keifer and Keifer* v. *Reconstruction Finance Corporation and Regional Agricultural Credit Corporation of Sioux City, Iowa*. The plaintiff sued for damages alleged to have resulted from the negligent handling of his cattle by the regional agricultural credit corporation. The corporation defended on the ground that it was a Government-owned instrumentality of the United States, created pursuant to an act of Congress (12 U. S. C., sec. 1148, et seq.), and, as such, shared the sovereign immunity from suits in tort. The defense was sustained by the United States District Court for the District of Nebraska, Grand Island Division.

The plaintiffs appealed to the Circuit Court of Appeals for the Eighth Circuit, where the judgment of the district court was sustained upon a different ground, i. e., that the corporation was not expressly endowed by statute with power to sue or be sued, and that in the absence of congressional consent the corporation is wholly without power to litigate any cause of action. The case is now before the Supreme Court for determination of the question whether the corporation may be sued at all and, if so, whether it is subject to actions in tort. The Reconstruction Finance Corporation is not concerned with that question and the Supreme Court has declined to review the decision exonerating it from liability.

A decision rendered in April 1938 by the Supreme Court of Minnesota, in the case of *Casper* v. *Regional Agricultural Credit Corporation of Minneapolis* (278 N. W. 896) is in conflict with the decisions of both Federal courts in the *Keifer case*. In the *Casper case* the State court held that a regional agricultural credit corporation has power to sue

and be sued and does not share the Government's immunity from tort actions. The Minnesota court concluded that the failure of Congress to expressly provide that a Government corporation shall have power to sue and be sued does not withhold that power; and that "a grant of corporate existence is itself a grant of power to sue and be sued." The Supreme Court of Minnesota remanded the *Casper case* for further proceedings, and it is now pending before the trial court for a new trial.

TAXATION AFFECTING FARM CREDIT ADMINISTRATION UNITS

Several tax cases are now pending.

The Supreme Court of North Dakota has before it for decision a case involving the right of the Federal Land Bank of St. Paul to purchase gasoline in the State of North Dakota without paying the State tax thereon. The case was argued in June 1938. With this case there was also argued a case involving the right of the State to impose a sales tax on the sale of merchandise to the Federal land bank.

In Mississippi a case has been commenced in which the issue raised is the right of the Federal Land Bank of New Orleans to operate automobiles in that State without the payment of an ordinary license plate tax. The State has taken the position that the bank, which had theretofore been permitted to operate without the purchase of regular license plates, must in the future do so.

MISCELLANEOUS LITIGATION

During the past year 583 civil cases arising in connection with emergency crop and feed loans have been forwarded to the Attorney General and to the various United States attorneys for consideration. There have also been referred to the Attorney General 9 cases involving agricultural credit loans previously granted by the Secretary of Agriculture and 51 cases involving loans under the supervision of the Cooperative Division and the Revolving Fund Section. Collections amounting to $303,269.74 have been made during the year as a result of these and other cases previously forwarded to the Attorney General.

A total of 216 cases were brought by or against the regional agricultural credit corporations during the past year. In connection with these cases, and similar cases previously instituted, collections amounting to $271,632.61 have been made.

In addition to these civil cases, 38 cases involving apparent violations of the criminal provisions of various Federal statutes occurring in transactions under the supervision of the Farm Credit Administration have been referred to the Secret Service for investigation and appropriate action and 101 cases to the Attorney General for such action as he deemed advisable.

The filing of claims against sureties under fidelity bonds has also been under the supervision of the Litigation Section, and in connection with such claims collections of $2,799.76 have been made.

The Litigation Section has likewise given attention to the various phases of 2,540 bankruptcy cases involving persons and corporations indebted to the Farm Credit Administration or to institutions operating under its supervision. Many of these cases have arisen under the provisions of section 75 of the Bankruptcy Act, authorizing agricultural compositions and extensions, as amended by the second Frazier-Lemke Act.

During the year the Litigation Section closed its files on 3,445 civil cases and 216 criminal cases. At the close of the year 2,305 pending cases were on its dockets.

DIVISION OF FINANCE AND ACCOUNTS

The Division of Finance and Accounts is primarily a service division furnishing the operating divisions of the Farm Credit Administration in Washington and the various banks, corporations, and offices throughout the United States which the administration supervises, continuous services in the fields of finance, accounting, and statistics. During the past year the responsibility for services in the field of agricultural credit and economic research were transferred from this division, then designated the Division of Finance and Research, to a new division designated Economic and Credit Research Division. The Division of Finance and Research became the Division of Finance and Accounts.

The Division of Finance and Accounts made studies of financial operations of all units supervised by the Farm Credit Administration and based upon such studies made recommendations to and executed on behalf of the institutions approved programs involving transactions such as the issuance and redemption of farm loan bonds and Federal intermediate credit bank debentures, the purchase and sale of securities for investment accounts, and the handling of cash and securities through the Federal Reserve banks and the Treasury Department.

The Division reviewed and analyzed financial operating and statistical reports received monthly from the banks, corporations, and offices under the supervision of the Farm Credit Administration and compiled therefrom the required financial operating and statistical reports, including the quarterly reports published for distribution to the general public.

Through the 12 farm loan registrars, 1 in each farm credit district, the Division of Finance and Accounts maintained, as heretofore, custody, and appropriate records of all mortgages, notes, and other collateral deposited as security for bonds and debentures issued by the Federal land banks, joint stock land banks, and Federal inter-

mediate credit banks, and held in safekeeping loan documents and related papers for the Federal Farm Mortgage Corporation and district banks for cooperatives.

The Division maintained books of account of the Agricultural Marketing Act revolving fund, Central Bank for Cooperatives, central office of the Federal Farm Mortgage Corporation, the control accounts of the emergency crop and feed loan offices, the accounting records covering appropriation and fund accounts and budgetary transactions, and carried on the administrative audit.

Through 12 district comptrollers, 1 in each farm credit district, the Division directed and supervised the internal audit program in the Federal land banks, Federal intermediate credit banks, production credit corporations, and banks for cooperatives, and exercised its supervisory responsibility in connection with the maintenance of uniform accounting systems in the banks and corporations.

ECONOMIC AND CREDIT RESEARCH DIVISION

The Economic and Credit Research Division is engaged in economic research designed to aid the credit units and offices of the Farm Credit Administration. Independent research is conducted by its staff, but many projects are in cooperation with the farm credit districts, where research is carried on under the direction of a statistician or director of research. In some districts agricultural experiment stations have participated in studies of farm credit problems.

Projects under way during 1938 included an analysis of the prices of agricultural products to provide price information necessary in analyzing both short- and long-term loans to farmers. In several counties the Division studied the relationship between the loan experience of farm credit units and land classification in order to indicate the value of land classification data as a guide in making agricultural loans. Data were obtained in the range territory, which will be analyzed to provide information useful in extending credit to livestock producers.

The Division studied the experience of creditors in financing potato growers and citrus-fruit producers. Surveys were made in several counties to obtain information from farmers showing the extent to which credit is used, the relation of credit to the organization and operation of farms, and the degree to which the credit system is meeting the needs of farmers for sound loans. Special studies of the real estate problems of the credit units of the Farm Credit Administration were made. Compilation of data on farm mortgage recordings and foreclosures by areas was continued during the year. Other studies included an analysis of operations of credit unions, factors affecting interest rates on farm loans, and an analysis of foreign agricultural credit systems.

COOPERATIVE RESEARCH AND SERVICE DIVISION

Cooperative organizations are now an integral part of the business life of American farmers. It is estimated that more than one-third of the farmers in the United States market some products through their own cooperative associations or buy cooperatively some of the supplies or services needed in their farm operations. Although most numerous in the North Central States, cooperatives are found operating in all States. A portion of almost every agricultural commodity produced is now marketed cooperatively to some extent. A large percentage of some products is sold through such associations.

On page 54 reference is made to the door-to-door survey of farmer cooperatives taken for the year 1936. Since that time estimates have been made for the marketing season 1937–38. These estimates show the number of farmers' marketing and purchasing cooperatives has increased from 10,752 to 10,900, with the volume of business increasing from $2,100,000,000 to approximately $2,400,000,000. The details of these estimates, together with estimates of membership in cooperative associations for the marketing season 1937–38 and previous years, are given in the following tables.

Farmers' marketing and purchasing associations, by commodity groups, 1929–30 to 1937–38 marketing seasons

Commodity group	Number of associations listed [1]								
	1929–30	1930–31	1931–32	1932–33	1933–34	1934–35	1935–36	1936–37 [2]	1937–38
Marketing:									
Cotton and cotton products	199	261	267	274	250	305	311	401	415
Dairy products	2,458	2,391	2,392	2,293	2,286	2,300	2,270	2,338	2,421
Fruits and vegetables	1,384	1,386	1,347	1,268	1,194	1,082	1,063	1,104	1,164
Grain (dry beans, rice)	3,446	3,448	3,500	3,131	3,178	3,125	3,010	2,614	2,619
Livestock	2,153	2,014	1,885	1,575	1,371	1,197	1,040	1,012	926
Nuts	44	71	70	65	57	53	52	49	52
Poultry and products	157	160	172	154	147	164	154	180	194
Tobacco	15	13	21	20	16	16	14	14	11
Wool and mohair	131	136	134	115	120	119	114	139	130
Miscellaneous products [3]	557	482	467	457	433	433	360	300	368
Total marketing	10,546	10,362	10,255	9,352	9,052	8,794	8,388	8,151	8,300
Purchasing	1,454	1,588	1,645	1,648	1,848	1,906	2,112	2,601	2,600
Total marketing and purchasing	12,000	11,950	11,900	11,000	10,900	10,700	10,500	10,752	10,900

[1] Includes independent local associations, federations, large-scale centralized associations, sales agencies, and independent service-rendering associations; also subsidiaries whose business is distinct from that of the parent organizations.

[2] Data are from a survey made by the district banks for cooperatives for 1936.

[3] Includes associations handling commodities not specified above, those handling several types of commodities, and those furnishing special services.

Estimated membership of farmers' marketing and purchasing associations, by commodity groups, 1929–30 to 1937–38 marketing seasons

Commodity group	Estimated membership [1]								
	1929–30	1930–31	1931–32	1932–33	1933–34	1934–35	1935–36	1936–37 [2]	1937–38
Marketing:									
Cotton and cotton products	150, 000	190, 000	240, 000	200, 000	200, 000	255, 000	300, 000	341, 800	350, 000
Dairy products	650, 000	725, 000	740, 000	724, 000	757, 000	750, 000	720, 000	656, 900	700, 000
Fruits and vegetables	218, 000	182, 000	180, 000	170, 000	185, 000	158, 000	166, 000	141, 700	164, 000
Grain (dry beans, rice)	810, 000	775, 000	705, 000	600, 000	600, 000	580, 000	610, 000	362, 900	360, 000
Livestock	465, 000	400, 000	450, 000	440, 000	410, 000	410, 000	600, 000	549, 000	600, 000
Nuts	14, 000	17, 000	18, 000	17, 500	15, 000	14, 800	16, 000	13, 300	15, 800
Poultry and products	67, 000	82, 000	88, 000	78, 000	73, 000	85, 000	93, 000	112, 500	100, 000
Tobacco	75, 000	40, 000	54, 000	60, 000	46, 600	50, 000	60, 000	91, 200	70, 000
Wool and mohair	40, 000	64, 000	62, 000	62, 000	63, 800	71, 000	51, 400	79, 200	60, 000
Miscellaneous products [3]	141, 000	133, 000	130, 000	105, 800	113, 600	116, 200	93, 600	65, 500	84, 200
Total marketing	2, 630, 000	2, 608, 000	2, 667, 000	2, 457, 300	2, 464, 000	2, 490, 000	2, 710, 000	2, 414, 000	2, 500, 000
Purchasing	470, 000	392, 000	533, 000	542, 700	692, 000	790, 000	950, 000	856, 000	900, 000
Total marketing and purchasing	3, 100, 000	[4] 3, 000, 000	[4] 3, 200, 000	3, 000, 000	3, 156, 000	3, 280, 000	[4] 3, 660, 000	3, 270, 000	3, 400, 000

[1] Includes members, contract members, and shareholders, but does not include patrons not in these categories.
[2] Data are from a survey made by the district banks for cooperatives for 1936.
[3] Includes associations handling commodities not specified above, those handling several types of commodities, and those furnishing special services.
[4] In the light of information received subsequent to the original publication of these data, the estimates are to be revised.

Estimated business of farmers' marketing and purchasing associations, by commodity groups, 1929–30 to 1937–38 marketing seasons

Commodity group	Estimated business in thousands of dollars [1]								
	1929–30	1930–31	1931–32	1932–33	1933–34	1934–35	1935–36	1936–37	1937–38
Marketing:									
Cotton and cotton products	110,000	130,000	69,000	42,000	100,000	100,000	[2] 110,000	[2] 138,500	[2] 110,000
Dairy products	680,000	620,000	520,000	390,000	380,000	440,000	520,000	577,100	686,000
Fruits and vegetables	320,000	319,000	283,000	200,000	182,000	200,000	212,000	282,000	300,000
Grain (dry beans, rice)	690,000	621,000	450,000	280,000	285,000	315,000	360,000	397,900	475,000
Livestock	320,000	300,000	260,000	182,000	162,000	175,000	250,000	320,600	312,000
Nuts	14,600	13,000	8,600	8,500	11,500	11,300	13,100	12,800	15,800
Poultry and products	79,400	86,000	72,000	53,000	48,000	53,000	69,000	72,000	91,000
Tobacco	6,800	7,000	10,000	6,500	5,500	7,500	11,500	14,400	13,000
Wool and mohair	10,800	26,000	21,000	9,000	13,700	15,700	11,000	11,500	11,300
Miscellaneous products [3]	78,400	63,000	50,400	28,500	25,300	25,500	29,400	55,800	35,900
Total marketing	2,310,000	2,185,000	1,744,000	1,199,500	1,213,000	1,343,000	1,586,000	1,882,600	2,050,000
Purchasing	190,000	215,000	181,000	140,500	152,000	187,000	254,000	313,400	[4] 350,000
Total marketing and purchasing	2,500,000	2,400,000	1,925,000	1,340,000	1,365,000	1,530,000	1,840,000	2,196,000	2,400,000

[1] Includes some intra-association transactions.

[2] Includes some Government-loan cotton.

[3] Includes associations handling commodites not specified above, those handling several types of commodities, and those furnishing special services.

[4] The purchasing business of the marketing associations is estimated at $117,000,000, and the marketing business of the purchasing associations is estimated at $27,000,000. After adjustments the totals are: Marketing, $1,960,000,000; purchasing, $440,000,000, and total, $2,400,000,000.

Farmers' cooperative associations operate under diverse economic conditions, handle many commodities, and provide services that require different methods of operation. They are confronted with many types of competition, differences in understanding and attitude on the part of farmer-members, and varying State legal requirements. The function of the Cooperative Research and Service Division is to assist these associations in solving their problems so that they may provide efficient service for their farmer-members. Research studies and service activities conducted by the division include problems of management, organization, merchandising, sales, costs, competition, and membership relations which arise in connection with their operation.

During the last year the Division has worked on more than 50 studies involving major problems of cooperatives. Eighteen of them were completed during the year and the results made available in printed publications. The 34 projects now in progress include 6 relating to grain; 5 to cotton; 4 each to dairy, fruits and vegetables, and purchasing; 3 each to livestock and wool, poultry, and insurance; and 1 each to history and statistics, and tobacco.

The facts developed by the research studies of the Division form the basis of its service and educational program. Development of new methods for increasing efficiency and improving service are indispensable to the progress of agricultural cooperation. Constant effort is exerted, therefore, to make the research studies practical and to place the results in the hands of officials and members of cooperatives who will make the best possible use of them.

Information on agricultural cooperation is disseminated by means of printed publications, articles, discussions with interested groups, conferences with officials and members of cooperatives, and through work with agricultural extension services and other State agencies.

Close working relationships are maintained with agricultural colleges and other educational agencies. Members of the Farm Credit Administration staff assisted in planning and coordinating the work of State agencies with cooperatives and provided them with material on agricultural cooperation. During the year members of the staff have advised with officials and directors of about 2,000 cooperative associations handling major agricultural commodities in practically every State. In addition, members of the staff have discussed problems confronting particular groups at approximately 300 meetings, attended by 35,000 officials and members of cooperatives.

The following discussion relates to specific activity with various types of cooperatives.

COTTON

The withdrawal of large amounts of cotton from the usual channels of trade during recent years and the inadequate protection afforded by the futures market to normal hedging operations have continued to

handicap the cotton cooperatives. During the past year State and regional associations affiliated with the American Cotton Cooperative Association adopted new reserve policies and continued experimenting with revised plans for assembling cotton. The North Carolina Cotton Association further perfected its repurchase pool operations, and the Staple Cotton Cooperative Association made substantial progress with their "pool-for-shipment" and factor-pool operations.

The new cooperative warehouse-sales plan adopted by the Georgia Cotton Producers Association last season was expanded materially this year. This is an attempt to develop a cooperative plan for cotton farmers in the Southeast, many of whom have felt that the plans formerly used by cooperatives were not well adapted to the sale of cotton in the mill territory. The Georgia cooperative warehouse-sales program now provides storage facilities and direct sales to mills at four important points in the State. The Cooperative Research and Service Division has given assistance in the development of this plan, and studies are being made of its operation and significance as a possible means of developing a more effective cooperative sales program for farmers in the Southeast.

The Middle South and Southwest are the scene of one of the most rapidly growing cooperative enterprises in the South. In these areas cooperative gins have grown in number from about 170 in 1933 to nearly 500 in 1938. It is estimated that cooperatives ginned approximately 1,250,000 bales of cotton during the 1937–38 season and, in addition, handled nearly 500,000 tons of cottonseed and 300,000 bales of cotton. These local cooperatives may eventually form the groundwork for more extensive operations, especially in the marketing of cotton and the crushing of cottonseed. The results of the studies of the business operations of cooperative gins made by the division were published in bulletins and circulars and presented to meetings of officers and members of the associations.

The Division was also consulted in the establishment of the first federation of 26 cooperative gins organized at Lubbock, Tex., for the purpose of crushing the cottonseed delivered to the mill by the member gins. Four other cooperative oil mills with a longer operating record have continued to make substantial savings for their members. These mills will crush upward of 100,000 tons of cottonseed during the present season. Last year they again succeeded in obtaining for their members substantially higher net returns for their seed than could have been obtained from other sources in the territory in which they operated. It is believed that there is a great need for continued development in the field of cooperative oil milling in the South. Basic studies of cooperative cottonseed oil mills made during the past year will be helpful in guiding the growth of this promising type of cooperative activity.

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DAIRY

Dairy cooperatives have had a comparatively long and successful history. Available estimates indicate that in 1936 dairy cooperatives marketed 42 percent of the market milk, 40 percent of the butter, and 30 percent of the cheese produced. Most dairy cooperatives have passed the pioneer stage of their development.

Dairy associations, like other cooperatives, have initiated improvements in marketing, but private business attempts to keep pace with them. To maintain a place of leadership in the industry, the cooperatives must be alert for new avenues of service to their members. Many dairy associations need revitalizing. For example, legislation pertaining to the incorporation of cooperatives has been substantially revised since many of the dairy associations were formed. The reorganizing of older dairy associations under new cooperative laws is currently important because of their advantages. The Cooperative Research and Service Division is preparing an organization guide to assist cooperative creameries in making these changes.

Another problem faced by many small cooperative creameries is the necessity of modernizing and standardizing their antiquated accounting systems. A manual on cooperative creamery accounting has been prepared to guide the associations in making desirable changes in their accounting practices.

Cooperative creameries are also confronted with the necessity of making changes in operating methods as a result of recent innovations in types of butter containers, the shift to whole milk creameries, increased use of truck routes for obtaining cream, and the purchase program of the Dairy Products Marketing Association. A study of the marketing practices of local creameries is being conducted to determine what changes these cooperatives are making to adjust their operations to these trends, and find out which changes are benefiting the associations enough to be recommended to others.

An appraisal of the work being accomplished by dairy cooperatives may, in many respects, be resolved into a question of the extent to which farmers associated with them are receiving satisfactory services. Helpful information along this line has been obtained from two studies based upon critical, detailed analyses of operations, services performed, and business practices followed.

Government regulation in milk markets has been expanding for several years. It appears to be more or less permanent in many of the larger markets. However, its form and scope changes from time to time. The milk marketing cooperatives, especially bargaining associations, will need to adjust their policies and services to conform with the new conditions. Certain phases of the problems encountered in these readjustments are dealt with in publications, "The Surplus

Problem in the Northeastern Milksheds," and "Relative Prices Received by Producers Under Selected Types of Milk Pools," published as Farm Credit Administration bulletins 24 and 25, respectively.

FRUITS AND VEGETABLES

Changes in methods of marketing fruits and vegetables are creating new problems for cooperatives in this field. The number of merchant-truckers has continued to increase and their purchase of products direct from growers tends to disorganize markets and force prices to lower levels. Direct buying by chain-store groups and other large purchasers of fruits and vegetables is also increasing. During the recent depression periods many farmers were unable to finance their production costs independently, or to obtain credit without signing contracts to market their crop upon terms dictated by the lender. Consequently, private marketing agencies and dealers furnishing supplies controlled a large percentage of the shipments from certain producing areas.

During the past season most fruit and vegetable growers suffered from low returns as a result of the combined effect of high yields and relatively unfavorable economic conditions. This situation makes the necessity of an anlysis of operations in an effort to reduce costs without curtailing necessary services particularly apparent.

Returns to apple growers have been low, even though the shipments of apples, in general, have shown a downward trend. A study of the costs, marketing practices, and comparative efficiency of four Northwest apple marketing associations handling approximately 30 percent of the northwestern crop was undertaken by the Division during the year. At the same time, a study of market outlets and marketing practices of associations handling Northwest apples was made in three of the important carlot markets.

Additional studies were made of the merchandising policies and problems of cooperative associations. A study of the place of the terminal auction in the marketing of fruits was completed during the year. The methods used and analyses of returns received for certain fruits sold at auction were compared with other methods. The effectiveness of advertising and sales promotion and the marketing policies of an association engaged in national distribution of a fruit product were also studied.

Because of the great variety of fruit and vegetable products and the diverse conditions under which these marketing associations must operate, numerous requests are received for assistance in perfecting the organizations and deciding methods of operation. A circular describing the present practices of cooperatives marketing fruits and vegetables and the formation of such associations was published as circular C-110, entitled, "Marketing Fruits and Vegetables Cooperatively."

In cooperation with the State agricultural colleges, a survey was made of production and marketing problems on the Eastern Shore of Virginia and in the Charleston area of South Carolina. As a result of this study farmers organized an association at Charleston to market potatoes and other vegetables. Assistance was given also to a similar organization established in the North Carolina intermediate potato district 2 years ago. The Division also aided in reorganization of the principal fruit and vegetable cooperative on the Eastern Shore of Virginia.

GRAIN

Depression, drought, and changes in basic conditions have caused a downward trend in number of local grain-associations during the last 10 years, but there is now an evident tendency to level out. Studies of cooperative elevators in hard winter wheat producing areas indicate that the elimination of weak associations has not necessarily been a detriment to the farmers' elevator movement. In numerous cases improved transportation or changes in types of farming have reduced the opportunities for elevators in the less favorable locations to be of service. The reduced number of grain associations is doing as much or more business than a larger number did in earlier years. This suggests the probability that farmers' needs for grain marketing facilities are still being well cared for by their own associations.

The competitive influence resulting from the extension of the cooperative elevator movement into all commercial grain areas has reduced grain-buying margins generally to the approximate cost of handling grain through a well-operated elevator. Because of the growing emphasis on effective operation, studies in several States producing hard winter and spring wheats have been made to determine the factors which influence operating costs and efficiency. Such problems include matters of finance, membership, organization, and the handling of side lines, as well as those more directly related to the handling of grain.

Grain marketing cooperatives are giving increasing attention to reorganization and membership problems. Most of the local farmers' elevators were started more than two decades ago before many of the present-day cooperative principles were generally accepted. Many of them are now modernizing their organization and are making greater efforts to get more of their patrons to become members.

The Farmers National Grain Marketing Corporation, set up in 1930, was liquidated during 1938. Its place is being taken, to a large extent, by regional marketing organizations.

INSURANCE

Available reports indicate that during the year farmers' mutual fire insurance companies have continued to add to their membership

and volume of insurance. Continued progress was made toward the standardization of insurance forms and methods of operation, although much remains to be done in most States; this movement is being encouraged by the Cooperative Research and Service Division through assistance in the preparation of suggested forms, participation in State-wide and national gatherings of farm-mutual managers, and other means.

There is also a continuing trend away from the original plan of postponing assessments until after losses are incurred toward a plan of advance assessments and the building of reasonable reserves. Each year more associations are using full-time inspectors to make special reinspections during the term of the policy. Increased emphasis is being placed upon loss prevention work and education of the farm-mutual members with the object of removing needless hazards from insured property.

At present about two-thirds of the farm mutuals use no classification system but levy assessments or charge premiums on the basis of "one rate to all risks." This is generally conceded to be inequitable. A study of this situation is being made by the division with a view to assisting the companies in overcoming this weakness. It is believed that the use of classified rates would tend to encourage property owners to make improvements which would lessen fire hazards. The national farm fire loss for 1938 was estimated at $95,000,000.

The practice among farm mutuals of sharing liability on larger risks with other companies by way of reinsurance is a comparatively new development. In the absence of reinsurance facilities local farm mutuals are tempted, unaided by other companies, to carry more liability than is warranted on large individual risks, thus exposing themselves to heavier losses from single fires than they can conveniently and safely handle. Information is being assembled on the extent to which farm mutuals now avail themselves of reinsurance, and on the methods and agencies used in effecting such insurance.

LIVESTOCK AND WOOL

The past year has witnessed a continuation of the trend toward decentralization in livestock marketing. Producers are continuing to market their livestock in small units and many indicate a preference for markets near home. Receipts of livestock at terminal markets showed some gains in 1938, but this may be explained by increases in the number of livestock throughout the country rather than by a reversal of the trend away from terminal markets.

Terminal livestock cooperative associations are attempting to adjust their operations to changing conditions. To assist in this endeavor, a study was made by the division of one of the large successful terminal associations which is following the decentralizing

trend in marketing. This cooperative established branch agencies in the producing areas to satisfy the demand of farmers for markets near home. These branch agencies, while representing decentralization in marketing, have maintained the principle of centralized sales control. Other cooperatives may benefit from the experiences of this association in establishing branches to meet the competition of local markets and livestock auctions.

Local livestock auctions have sprung up rapidly during the last few years. Over 1,300 are now operating. To appraise the significance and permanency of these auctions and determine whether the auction principle could be readily adapted to cooperative marketing, a study of livestock auctions was undertaken. This study raises the question of whether livestock cooperatives can continue to overlook the importance of the auction as an acceptable method of marketing livestock.

In 1938 great interest was shown in development of refrigeration equipment as related to the storage of livestock products and fruits and vegetables. Estimates as to the number of refrigerated food-locker plants in the United States range from 1,500 to 2,500. This novel service appeals to producers as a means to explore the possibilities of reducing distribution costs, increasing meat consumption, and raising standards of living on the farm. In order to acquaint interested groups of farmers with the possibilities and limitations of refrigerated food-locker plants, a publication circular C–107 entitled "Refrigerated Food Lockers—A New Cooperative Service," was prepared. This circular pointed out how plants should be established and operated. Another publication, "Proposed Organization Forms for Food Locker Associations," covers organization procedure.

During the year there was an increase in country buying of wool by dealers and speculators on direct orders from manufacturers. In 1938 approximately 100,000,000 pounds of the clip, or 25 percent, was handled in this way.

Placing of wool in country warehouses with the final sale being made at the warehouse point assumed greater importance during the year, especially on the west coast. Probably one-fifth of the total 1938 production was put in warehouses at country points while awaiting sale.

In 1938 there was considerable agitation from growers for wool auctions. Although private auctions are now in use at only two western points, they are attracting wide attention and are taking many clips away from cooperative associations. Indications are that auctions may be opened at other points in the next few years.

There has been some increase in the number of county pools where wool is usually sold on a sealed-bid basis. This method is drawing more and more attention from growers, especially in the fleece-wool States.

At present there is a trend away from consignment of wool. Practically every wool cooperative in the United States is faced with this problem. The local and regional associations and the National Wool Marketing Corporation are attempting to render new services to wool growers in an effort to meet the situation. Some suggestions for improving the operations of the fleece wool cooperatives will be included in a report now being prepared for publication.

POULTRY AND EGGS

The most important single development in the cooperative marketing of eggs and poultry in the United States during recent years has been the operation of country-point auction associations in the northeastern States. At present 25 such associations are in operation. A study of this new type of cooperative endeavor is being made by the Cooperative Research and Service Division. Some associations are already making changes in their operating methods as a result of preliminary reports to the cooperatives.

Local associations organized to market turkeys cooperatively are increasing in number, especially in States west of the Mississippi River. These local associations or pools are, for the most part, affiliating with regional overhead marketing agencies or associations which carry the marketing function on through to the terminal markets. The Division is working with the regional and other large turkey marketing cooperatives in an effort to help them become more efficient and effective marketing mediums.

Five of the larger egg and poultry associations in the Pacific Coast States have continued to sell their products in the large eastern markets through a joint sales association with few changes in their methods of handling. A study is now being made of the operations of this sales agency to determine whether it should change any of its methods, attempt to handle additional products, or seek to affiliate with other associations.

A number of large associations operating on the Pacific coast and in the Mountain and Midwestern States maintain separate sales agencies in the eastern markets. It is possible that a merging of several sales agencies or associations might benefit producers by reducing the marketing cost and by making their marketing services more effective.

PURCHASING

The purchasing of farm supplies through cooperatives has increased rapidly in the last few years. With this increase, other trends have developed. Cooperative purchasing associations are being integrated into State-wide or regional systems which provide wholesale and retail service and, in an increasing number of cases, manufacturing service. As a group, these associations are gradually raising quality

standards and diversifying their lines. There also is an increasing tendency to carry on cooperative purchasing and cooperative marketing jointly or as complementary functions.

A great improvement in operating facilities has come with the expansion in cooperative purchasing. For example, associations on the Pacific coast have constructed three large and well-equipped feed manufacturing mills. Cooperatives along the eastern seaboard supplemented existing facilities by constructing two large fertilizer plants. Cooperatives purchasing petroleum products have invested in water-terminal and transport-truck facilities.

A recent study of cooperative purchasing through the Illinois Farm Supply Co. and its member county companies provides a comprehensive analysis of an efficient State-wide petroleum-distributing system. The results of this study were published as bulletin 27, entitled "Cooperative Purchasing Through the Illinois Farm Supply Company and Its Member County Companies." This study should afford a number of suggestions for improving the operating efficiency of this type of association.

A new study of the organization and operation of county farm bureau cooperative associations in Indiana, which are of the federated type, will afford a comparison with the centralized type of purchasing associations, as characterized by the Illinois group. This study will analyze the problems of the associations and make recommendations for the improvement of their efficiency. The results should prove of value in indicating the strong and weak points of the federated type of purchasing organization.

The control of retail credit is a major problem of many cooperative purchasing associations. This is being considered in a study of the retail-credit methods and problems of the local associations affiliated with a large purchasing association.

Another project, now nearing completion, presents the results of a study of cooperative purchasing of farm supplies in the British Isles. It shows how cooperative purchasing has developed in the British Isles under varying circumstances over a long period of years. It is not generally realized that in an area considerably smaller than California farmers in the British Isles bought cooperatively goods valued at approximately $60,000,000 in the single year 1936.

CREDIT UNION SECTION

Enjoying another year of steady growth in 1938, Federal credit unions continued to demonstrate how widespread is the need for credit union service and how practicable is the credit union plan. Organization of new credit unions month after month and an ever-increasing enrollment in those in operation are the best evidence of popular approval of cooperative group credit.

Throughout the Federal credit union system the dominant line of interest in 1938 continued to be in perfecting credit union practices and strengthening existing credit unions. But new organization was by no means neglected. Altogether 515 Federal charters were granted in 1938 as compared with 638 in 1937, bringing the total number issued since the Federal act was passed in 1934 to 3,015. Of the Federal credit unions thus authorized to operate approximately 2,750 were classed as active at the close of 1938.

Careful estimates place the total membership of these active Federal credit unions on December 31 at 615,000; assets, $28,500,000; shareholdings, $26,000,000; and outstanding loans, $23,500,000. These estimates are based on actual returns for the quarter ended September 30, 1938, which included reports from 2,549 active Federal credit unions and showed a combined membership, for those reporting, of 580,069, assets of $25,778,589, shareholdings of $23,487,698, and loans outstanding of $20,900,724.

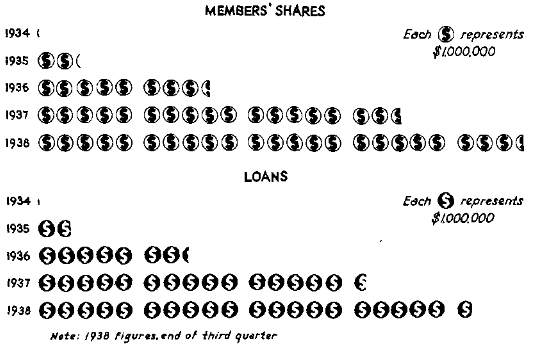

FIGURE 18

FEDERAL CREDIT UNION MEMBERS' SHARES AND LOANS OUTSTANDING

As there were 2,682 active Federal credit unions on September 30 these figures represent returns from 95 percent of those actually doing business. They may be compared fairly with the figures for September 30, 1937, which represented approximately the same proportion of the Federal credit unions active at that time. Such comparison shows an increase during the 12-month period of 29 percent in membership, 51 percent in assets, 49 percent in shareholdings, and 49 percent in loans outstanding. Total loans made since the first Federal credit union was organized in 1934 were $83,322,725 for those report-

ing as of September 30, 1938, and $42,575,273 as of September 30, 1937. Thus in 1 year the loans made by reporting Federal credit unions totaled $40,747,452, or nearly half of all the loans made since the first credit union was organized.

The period from October 1, 1937, to September 30, 1938, in which these gains were registered, covered many months of reduced industrial activity throughout the Nation. In view of the fact that the great majority of credit union members are industrial wage earners the record of continued advancement all along the line is especially noteworthy, and is a further tribute to the stability and soundness of these cooperative credit societies.

GROWTH HAS BEEN EVEN

Over the last 4½ years the rate of expansion in size and in volume of business of Federal credit unions, as shown by successive quarterly totals, has been remarkably even. Despite fluctuations in economic and business conditions the upward curves of savings, loans, and membership have shown no recession and but little variation in the angle of ascent. A leading factor in this expansion has been the quietly growing momentum which the whole credit union movement in the United States has achieved. Another has been the increasing acquaintanceship with credit unions on the part of the public and the general approval of them by executives, teachers, and specialized groups of various kinds. But the chief factor probably remains the existence of a universal need for facilities for saving and for reasonably priced credit by the small consumer, and the practical manner in which the credit union fills these needs.

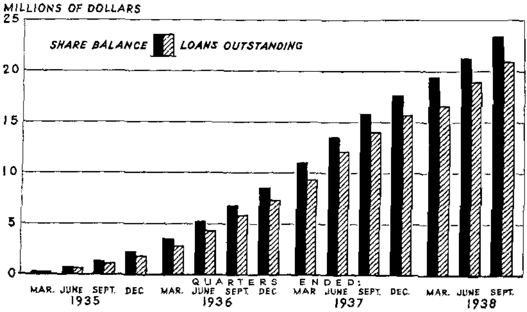

FIGURE 19

FEDERAL CREDIT UNION SHARE BALANCES AND LOANS OUTSTANDING

Organization of new Federal credit unions in 1938 continued to advance most noticeably in the eastern industrial States. In Pennsylvania 79 new organizations were started and in New York 74. These were the 2 leading States. Other States in which organizing activity was especially in evidence included Texas with 38 new Federal charters; California with 36; Ohio with 32; Illinois with 31; and Colorado with 25.

INDUSTRIAL GROUPS LEAD

While industrial credit unions continue to occupy a dominating position other types are making notable advances. Teacher groups, labor unions, churches, and fraternal societies are setting up credit unions, and rural communities continue to experiment with the plan. Forty percent of the new Federal charters issued in 1938 went to nonindustrial groups such as these.

At the end of the year the number of Federal charters issued up to that time to industrial or business groups (including trade and manufacturing, transportation, banking, hotel, and other business-employee groups) was 64 percent of the whole number issued. Charters to Federal, State, and local government employees were 15 percent; to school and college groups, 7 percent; to fraternal and professional organizations, 4 percent; to rural communities, 3 percent; to religious groups, 2 percent; and to other nonbusiness groups, 5 percent.

SERVICING CONTINUED

During 1938 the Section continued to concentrate its attention on the task of strengthening and developing Federal credit unions and helping them to give a maximum service to persons within their field.

A thoroughgoing revision of the standard bylaws for Federal credit unions was completed, incorporating many changes suggested by the 4 years' experience of operating Federal credit unions. The changes deal chiefly with minor details of operation, but they will aid materially in lightening the work of treasurers and others in the credit union management. The new bylaws are prescribed for all Federal credit unions beginning with charter No. 3001, and earlier-chartered Federal credit unions are being urged to substitute the new bylaws for the old as promptly as possible.

Substantial progress was made in 1938 toward the objective set forth in the Federal Credit Union Act, namely, the establishment of a Federal credit union system "to make more available to people of small means credit for provident purposes through a national system of cooperative credit." To obtain the best results from such a system the credit unions composing it must be run according to sound business practices, the managements must be well trained in their duties,

members must be kept well informed and interested, and the cooperative character of the enterprise must be kept always in view. It will continue to be the purpose of the Section to so shape its organization and policies as best to promote these desirable factors.

Additional information in regard to Federal credit unions is given in appendix, tables 89 to 91.

PUBLICATIONS AVAILABLE FROM THE FARM CREDIT ADMINISTRATION

The circulars and bulletins on farm credit and related subjects listed below are available from the Director of Information and Extension, Farm Credit Administration, Washington, D. C.

FARM MORTGAGE CREDIT

Federal Land Bank and Land Bank Commissioner Loans, Circular No. 1.
Appraising Farms for Mortgage Loans, Circular No. 13.
Selecting and Financing a Farm, Circular No. 14.
The Gateway to Farm Ownership, Circular B–3.
The Credit Road to Farm Ownership, Circular No. 18.

PRODUCTION CREDIT

Financing the Farm Business, Circular C.
Credit for Profitable Dairying, Circular D.
Financing Feeders the PCA Way, Circular E.
Loans by Production Credit Associations, Circular No. 3.
Short-term Credit—A Good Farm Tool, Circular No. 21.

FARMERS' COOPERATIVE ASSOCIATIONS

Loans to Farmers' Cooperatives, Circular No. 6.
The Farmers' Cooperative Yardstick, Circular No. 17.
Refrigerated Food Lockers, A New Cooperative Service, Circular C–107.
Organizing a Farmers' Cooperative, Circular C–108.
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Use of Motor Trucks in Marketing Fruits and Vegetables, Bulletin No. 18.
Farmers' Purchasing Associations in Wisconsin, Bulletin No. 20.
Farmers' Mutual Windstorm Insurance Companies, Bulletin No. 21.
Problems and Trends in Farmers' Mutual Fire Insurance, Bulletin No. 23.
The Surplus Problem in the Northeastern Milksheds, Bulletin No. 24.
Relative Prices to Producers Under Selected Types of Milk Pools, Bulletin No. 25.
A Statistical Handbook of Farmers' Cooperatives, Bulletin No. 26.
Cooperative Purchasing Through the Illinois Farm Supply Company, Bulletin No. 27.
Accounting Procedure for Cooperative Grain Elevators, Bulletin No. 28.

Terminal Fruit Auctions as Marketing Agencies for Farmers' Cooperatives, Bulletin No. 29.

Operations of Cooperative Grain Elevators in Kansas and Oklahoma, Bulletin No. 30.

GENERAL AND MISCELLANEOUS

Agricultural Financing Through the Farm Credit Administration, Circular No. 5.

The Federal Intermediate Credit Banks, Circular No. 7.

Federal Farm Mortgage Corporation Bonds, Circular No. 8.

Federal Credit Unions, Circular No. 10.

ABC's of Credit for the Farm Family, Circular No. 15.

Using Credit Instruments, Circular No. 16.

Farm Credit Quarterly. (Issued 4 times a year.)

APPENDIX

Details regarding the operations of all organizations under the jurisdiction of the Farm Credit Administration are given in tabular form in the appendix to this report. Most of these statistics, as well as the statistical data which appear in the text of the report, were compiled from reports submitted to the Farm Credit Administration by the various institutions.

FEDERAL LAND BANKS AND LAND BANK COMMISSIONER

TABLE 1.—*Applications received, loans closed, and loans outstanding, 1933–38*

Year	Applications received		Loans closed		Loans outstanding Dec. 31	
	Number	Amount	Number	Amount	Number	Amount
1933	[1] 502,470	[1] $2,064,897,403	[1] 79,339	[1] $210,950,776	472,855	$1,303,445,263
1934	402,829	2,043,653,392	496,501	1,283,503,456	953,643	2,532,616,762
1935	162,968	811,081,485	149,972	445,066,549	1,075,008	2,866,651,139
1936	81,030	375,501,853	65,291	186,427,995	1,094,910	2,900,936,491
1937	60,836	247,985,002	37,862	103,111,902	1,091,067	2,848,056,032
1938	58,719	231,940,745	31,624	80,813,517	1,076,861	2,735,074,803

[1] May 1, 1933, through Dec. 31, 1933.

TABLE 2.—*Applications received and loans closed during 1938, and loans outstanding, Dec. 31, 1938, by States*

District and State	Applications received during 1938		Loans closed during 1938		Loans outstanding Dec. 31, 1938	
	Number	Amount	Number	Amount	Number	Amount
District 1:						
Maine	393	$1,053,800	120	$244,700	5,636	$11,179,088
New Hampshire	172	488,100	88	143,200	1,291	2,219,733
Vermont	251	765,600	167	290,000	3,319	6,375,202
Massachusetts	487	1,814,800	306	612,000	5,320	11,465,565
Rhode Island	78	338,900	46	108,000	785	1,883,262
Connecticut	435	1,794,100	302	716,000	4,110	9,411,562
New York	2,197	8,081,900	1,105	2,469,000	21,968	50,291,461
New Jersey	687	3,150,300	385	934,400	5,451	14,016,305
Total	4,700	17,487,500	2,519	5,517,300	47,880	106,842,178
District 2:						
Pennsylvania	1,124	4,122,700	512	1,007,100	14,845	28,131,920
Delaware	54	221,600	34	76,500	597	1,319,146
Maryland	295	1,480,900	120	334,500	4,378	12,002,698
Virginia	922	3,386,100	338	855,000	16,472	35,333,168
West Virginia	508	1,428,112	176	332,500	7,333	11,118,144
Puerto Rico	268	1,362,900	90	424,500	4,372	12,052,478
Total	3,171	12,002,312	1,270	3,030,100	47,997	99,957,554

FEDERAL LAND BANKS AND LAND BANK COMMISSIONER

ABLE 2.—*Applications received and loans closed during 1938, and loans outstanding, Dec. 31, 1938, by States*—Continued

District and State	Applications received during 1938		Loans closed during 1938		Loans outstanding Dec. 31, 1938	
	Number	Amount	Number	Amount	Number	Amount
istrict 3:						
North Carolina	2,160	$5,404,220	775	$1,054,639	25,109	$35,268,378
South Carolina	1,029	2,497,920	364	523,005	16,190	25,383,316
Georgia	2,508	6,145,510	997	1,342,148	27,216	38,972,405
Florida	780	3,064,090	173	424,550	9,803	17,891,353
Total	6,477	17,171,740	2,309	3,344,342	78,318	117,515,452
istrict 4.						
Ohio	1,979	7,274,100	1,108	2,520,900	32,810	76,822,447
Indiana	2,134	6,882,600	1,216	2,715,300	41,546	93,848,135
Kentucky	1,193	3,666,600	501	1,114,300	23,890	51,148,200
Tennessee	1,586	3,714,400	723	1,144,600	24,955	43,273,090
Total	6,892	21,537,700	3,548	7,495,100	123,201	265,091,872
District 5:						
Alabama	2,836	5,340,481	1,865	2,201,800	30,871	36,820,644
Mississippi	1,899	3,815,827	1,053	1,491,975	28,265	35,190,907
Louisiana	722	2,445,525	415	976,150	15,303	25,260,454
Total	5,457	11,601,833	3,333	4,669,925	74,439	97,272,005
District 6:						
Illinois	2,625	16,440,500	2,039	8,497,200	41,606	181,974,537
Missouri	2,038	6,395,900	896	1,952,300	28,190	61,117,513
Arkansas	1,087	2,837,800	397	905,500	17,423	24,723,709
Total	5,750	25,674,200	3,332	11,355,000	87,219	267,815,759
District 7:						
Michigan	1,098	3,310,000	376	701,200	41,469	73,486,651
Wisconsin	1,039	5,626,600	487	1,267,200	47,255	123,570,477
Minnesota	1,292	6,935,200	744	2,282,500	53,617	161,816,438
North Dakota					37,975	96,859,397
Total	3,429	15,871,800	1,607	4,250,900	180,316	455,732,963
District 8:						
Iowa	2,266	16,357,200	1,645	7,006,700	55,052	262,945,984
South Dakota	496	1,691,200	254	693,500	26,900	77,572,067
Nebraska	2,198	11,149,800	1,397	4,390,400	42,020	157,034,900
Wyoming	336	1,952,800	143	581,500	5,984	14,124,107
Total	5,296	31,151,000	3,439	12,672,100	129,956	511,677,058
District 9:						
Kansas	2,558	10,910,400	1,596	3,724,300	48,106	135,596,096
Oklahoma	1,943	5,878,200	883	1,709,500	27,656	53,114,229
Colorado	1,140	5,177,800	489	1,157,700	15,927	36,953,883
New Mexico	466	1,514,500	232	401,700	6,667	12,261,749
Total	6,107	23,486,900	3,200	6,993,200	98,356	237,925,957
District 10: Texas	4,564	15,592,200	2,887	6,837,850	100,463	253,692,462

FEDERAL LAND BANKS AND LAND BANK COMMISSIONER

TABLE 2.—*Applications received and loans closed during 1938, and loans outstanding, Dec. 31, 1938, by States*—Continued

District and State	Applications received during 1938		Loans closed during 1938		Loans outstanding Dec. 31, 1938	
	Number	Amount	Number	Amount	Number	Amount
District 11:						
Arizona	252	1,525,500	210	626,400	3,184	10,460,761
Utah	237	1,068,000	130	339,400	9,220	20,965,735
Nevada	53	673,100	29	155,900	735	4,001,975
California	2,615	19,399,900	1,851	7,627,200	38,402	142,580,288
Total	3,157	22,666,500	2,220	8,748,900	51,541	178,008,759
District 12:						
Montana	745	3,282,800	336	929,750	11,413	28,185,259
Idaho	975	3,937,040	546	1,423,800	14,338	36,826,890
Washington	1,013	5,539,900	544	1,965,700	17,888	41,431,948
Oregon	986	4,937,320	534	1,579,550	13,536	37,098,687
Total	3,719	17,697,060	1,960	5,898,800	57,175	143,542,784
Grand total	58,719	231,940,745	31,624	80,813,517	1,076,861	2,735,074,803

TABLE 3.—*Applications received and loans closed during 1938, by quarters*

Quarter	Applications received		Loans closed					
			Federal land banks		Land Bank Commissioner		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
First quarter	14,924	$58,763,097	4,327	$16,243,500	5,440	$9,308,900	9,767	$25,552,400
Second quarter	12,133	50,276,656	3,602	12,769,923	4,572	7,611,630	8,174	20,381,553
Third quarter	14,612	59,176,571	2,889	10,089,249	3,449	5,793,905	6,338	15,883,154
Fourth quarter	17,050	63,724,421	3,353	12,315,700	3,992	6,680,710	7,345	18,996,410
Total	58,719	231,940,745	14,171	51,418,372	17,453	29,395,145	31,624	80,813,517

FEDERAL LAND BANKS AND LAND BANK COMMISSIONER

TABLE 4.—*Percentage of loan proceeds used for various purposes during 1938, by States*

District and State	Federal land-bank loans					Land Bank Commissioner loans			
	Refinancing indebtedness [1]	Purchase of land and redemption from foreclosure	General agricultural uses, including buildings and improvements	National farm loan association stock [2]	Loan fees	Refinancing indebtedness [3]	Purchase of land and redemption from foreclosure	General agricultural uses, including buildings and improvements	Loan fees
District 1:									
Maine	72.0	20.2	1.9	5.0	.9	68.9	18.0	12.8	.3
New Hampshire	59.3	26.1	8.6	5.0	1.0	65.5	21.6	12.6	.3
Vermont	73.9	16.4	3.8	5.0	.9	74.4	14.5	10.7	.4
Massachusetts	72.7	15.3	6.1	5.0	.9	73.0	10.6	16.1	.3
Rhode Island	60.2	21.0	12.8	5.0	1.0	58.1	25.5	16.2	.2
Connecticut	74.7	7.6	11.8	5.0	.9	69.8	6.9	23.0	.3
New York	66.5	21.3	6.3	5.0	.9	64.0	20.6	15.1	.3
New Jersey	66.2	23.4	4.5	5.0	.9	63.1	19.9	16.8	.2
Total	68.4	19.2	6.5	5.0	.9	66.5	17.0	16.2	.3
District 2:									
Pennsylvania	69.4	21.5	2.7	5.0	1.4	67.3	25.6	6.3	.8
Delaware	70.2	21.9	1.5	5.0	1.4	60.9	36.2	2.1	.8
Maryland	69.7	21.9	2.0	5.0	1.4	67.5	23.8	8.0	.7
Virginia	73.4	17.1	3.1	5.0	1.4	71.9	19.2	8.2	.7
West Virginia	69.8	20.0	3.8	5.0	1.4	72.0	21.1	6.1	.8
Total [4]	70.8	19.9	2.9	5.0	1.4	69.2	23.0	7.0	.8
District 3:									
North Carolina	70.3	10.1	12.5	5.0	2.1	73.5	13.2	11.6	1.7
South Carolina	65.4	16.3	10.9	5.0	2.4	68.4	20.6	9.3	1.7
Georgia	70.4	11.5	10.6	5.0	2.5	72.4	14.9	10.7	2.0
Florida	83.9	4.9	5.3	5.0	.9	78.0	8.8	12.0	1.2
Total	71.7	10.8	10.4	5.0	2.1	72.7	14.6	10.9	1.8
District 4:									
Ohio	60.8	31.2	1.9	5.0	1.1	59.9	34.6	5.0	.5
Indiana	59.3	31.6	3.0	5.0	1.1	59.0	32.9	7.6	.5
Kentucky	67.1	24.2	2.6	5.0	1.1	64.1	29.0	6.4	.5
Tennessee	77.1	13.0	3.8	5.0	1.1	79.0	12.7	7.7	.6
Total	63.2	28.1	2.6	5.0	1.1	63.9	28.9	6.7	.5
District 5:									
Alabama	75.1	11.4	7.8	5.0	.7	75.1	14.4	9.2	1.3
Mississippi	80.5	7.6	6.0	5.0	.9	79.7	9.3	9.8	1.2
Louisiana	77.7	11.6	5.1	5.0	.6	78.5	9.3	11.3	.9
Total	77.4	10.2	6.6	5.0	.8	77.3	11.7	9.8	1.2

[1] For percentages of Federal land bank loan proceeds used to refinance debts, by type of indebtedness and class of creditor, see appendix, table 7.

[2] Includes stock in Federal land banks subscribed by direct borrowers (including interim borrowers).

[3] For percentage of Land Bank Commissioner loan proceeds used to refinance debts, by type of indebtedness and class of creditor, see appendix, table 51.

[4] Excluding Puerto Rico.

FEDERAL LAND BANK AND LAND BANK COMMISSIONER

TABLE 4.—*Percentage of loan proceeds used for various purposes during 1938, by States*—Con.

District and State	Federal land bank loans					Land Bank Commissioner loans			
	Refinancing indebtedness	Purchase of land and redemption from foreclosure	General agricultural uses, including buildings and improvements	National farm loan association stock	Loan fees	Refinancing indebtedness	Purchase of land and redemption from foreclosure	General agricultural uses, including buildings and improvements	Loan fees
District 6:									
Illinois	50.3	34.4	2.8	5.0	1.5	59.8	37.2	2.4	.6
Missouri	76.1	14.0	2.9	5.0	2.0	82.4	14.4	2.0	1.2
Arkansas	84.7	5.1	3.5	5.0	1.7	82.8	11.1	4.8	1.3
Total	61.3	20.2	2.9	5.0	1.6	66.9	29.7	2.6	.8
District 7:									
Michigan	62.5	26.6	5.1	5.0	.8	56.1	32.0	11.1	.8
Wisconsin	64.7	27.7	2.0	4.9	.7	65.4	24.9	9.4	.3
Minnesota	53.2	39.3	2.0	4.9	.6	48.9	39.9	10.9	.3
North Dakota	-------	-------	-------	-------	-------	-------	-------	-------	-------
Total	57.8	34.2	2.5	4.9	.6	55.7	33.5	10.4	.4
District 8:									
Iowa	65.3	28.0	.9	5.0	.8	64.1	34.5	1.3	.1
South Dakota	67.2	24.7	2.1	5.0	1.0	76.4	21.7	1.5	.4
Nebraska	81.0	12.4	.7	5.0	.9	83.3	16.0	.6	.1
Wyoming	80.0	13.9	.5	5.0	.6	77.1	21.8	.6	.5
Total	71.3	22.0	.9	5.0	.8	72.9	25.9	1.0	.2
District 9:									
Kansas	72.3	16.7	5.0	5.0	1.0	71.3	25.8	2.4	.5
Oklahoma	68.7	19.2	6.0	5.0	1.1	68.2	28.3	2.7	.8
Colorado	69.9	18.8	5.0	5.0	1.3	77.2	20.3	1.8	.7
New Mexico	68.9	18.8	5.9	5.0	1.4	72.2	23.7	3.1	1.0
Total	70.9	17.7	5.3	5.0	1.1	71.7	25.2	2.4	.7
District 10. Texas	66.4	25.0	3.8	4.7	.1	62.8	30.3	6.7	.2
District 11:									
Arizona	75.8	14.0	2.2	5.0	3.0	73.7	19.3	6.2	.8
Utah	83.6	6.7	2.6	5.0	2.1	87.2	6.4	5.7	.7
Nevada	62.9	29.5	-------	5.0	2.6	70.2	26.0	3.3	.5
California	78.7	7.2	6.8	5.0	2.3	81.0	10.7	7.6	.7
Total	78.4	8.0	6.3	5.0	2.3	80.5	11.5	7.3	.7
District 12:									
Montana	81.8	9.8	3.2	5.0	.2	85.7	10.5	3.2	.6
Idaho	85.0	7.7	2.0	5.0	.3	83.4	13.3	2.5	.8
Washington	81.1	11.1	2.6	5.0	.2	81.9	14.2	3.2	.7
Oregon	82.8	9.3	2.6	5.0	.3	84.7	12.1	2.5	.7
Total	82.6	9.6	2.6	5.0	.2	83.8	12.7	2.8	.7
Grand total [4]	69.6	20.5	3.8	5.0	1.1	70.6	22.5	6.3	.6

[4] Excluding Puerto Rico.

FEDERAL LAND BANKS

TABLE 5.—*Loans closed and outstanding, by years, 1917–38*

Year	Loans closed		Loans outstanding Dec. 31	
	Number	Amount	Number	Amount
1917	18,154	$39,112,115	(1)	(1)
1918	49,808	118,129,836	(1)	$156,213,892
1919	45,436	144,987,180	(1)	293,595,395
1920	17,997	66,984,534	126,179	349,678,988
1921	27,153	91,029,976	151,823	432,523,141
1922	74,055	224,301,400	221,778	639,486,435
1923	60,100	192,083,015	274,507	799,596,835
1924	47,227	165,509,845	313,712	927,567,598
1925	39,905	127,355,451	342,804	1,005,684,817
1926	36,893	131,317,715	366,494	1,077,818,724
1927	39,268	140,384,200	392,148	1,155,643,871
1928	26,988	102,236,400	404,865	1,194,820,881
1929	17,132	64,252,500	409,559	1,198,513,917
1930	12,572	47,971,000	410,493	1,189,604,354
1931	10,898	42,015,300	407,852	1,167,898,205
1932	7,208	27,569,800	400,537	1,128,564,461
1933	38,568	151,634,111	428,861	1,232,706,802
1934	190,147	730,367,140	606,344	1,915,791,654
1935	58,968	248,671,200	643,803	2,071,924,721
1936	26,362	109,170,200	639,828	2,064,157,944
1937	15,989	63,091,729	635,776	2,035,306,748
1938	14,171	51,418,372	628,781	1,982,224,007
Total	874,999	3,079,593,019		

[1] Not available.

TABLE 6.—*Loans closed during 1938, and outstanding Dec. 31, 1938, by States*

District and State	Loans closed during 1938		Loans outstanding Dec. 31, 1938	
	Number	Amount	Number	Amount
District 1:				
Maine	46	$112,900	3,294	$7,028,493
New Hampshire	34	63,500	775	1,427,331
Vermont	72	165,800	2,152	4,827,122
Massachusetts	129	303,100	3,101	7,409,272
Rhode Island	19	48,100	468	1,254,910
Connecticut	133	377,500	2,514	6,434,816
New York	534	1,542,300	14,142	36,832,541
New Jersey	174	508,100	3,055	9,272,898
Total	1,141	3,121,300	29,501	74,487,383
District 2:				
Pennsylvania	270	719,400	9,382	20,374,986
Delaware	17	54,900	321	868,281
Maryland	56	213,200	2,397	8,273,166
Virginia	169	612,900	11,513	28,050,432
West Virginia	89	227,500	4,726	8,215,039
Puerto Rico	18	181,600	3,806	10,593,048
Total	619	2,009,500	32,145	76,375,552
District 3:				
North Carolina	229	444,049	12,206	19,626,318
South Carolina	106	230,400	6,986	14,331,518
Georgia	283	572,623	12,790	23,120,207
Florida	58	227,800	4,530	9,879,976
Total	676	1,474,872	36,512	66,958,019

FEDERAL LAND BANKS

TABLE 6.—*Loans closed during 1938, and outstanding, Dec. 31, 1938, by States*—Continued

District and State	Loans closed during 1938		Loans outstanding Dec. 31, 1938	
	Number	Amount	Number	Amount
District 4				
Ohio	543	$1,622,500	19,208	$55,757,007
Indiana	551	1,635,200	25,730	71,025,095
Kentucky	208	643,200	13,061	36,016,758
Tennessee	257	567,800	14,107	30,159,521
Total	1,559	4,468,700	72,106	192,958,381
District 5				
Alabama	837	1,424,100	20,185	28,111,073
Mississippi	406	957,100	17,389	26,954,081
Louisiana	171	635,400	10,623	20,448,529
Total	1,414	3,016,600	48,197	75,513,683
District 6:				
Illinois	1,117	6,187,400	24,837	141,357,187
Missouri	428	1,292,800	14,375	40,628,209
Arkansas	130	509,000	10,716	17,697,559
Total	1,675	7,989,200	49,928	199,682,955
District 7:				
Michigan	153	399,500	22,619	49,389,566
Wisconsin	221	800,600	24,004	77,494,825
Minnesota	362	1,593,100	29,608	115,518,965
North Dakota			19,703	64,910,008
Total	736	2,793,200	95,934	307,313,364
District 8:				
Iowa	854	4,874,500	33,447	206,036,527
South Dakota	76	299,900	14,922	55,413,876
Nebraska	670	2,837,000	25,566	121,179,725
Wyoming	49	317,200	3,076	9,562,946
Total	1,649	8,328,600	77,011	392,193,074
District 9:				
Kansas	847	2,630,700	26,987	94,713,440
Oklahoma	408	1,111,900	14,636	36,070,107
Colorado	214	721,100	9,596	26,656,946
New Mexico	92	217,900	4,712	9,271,232
Total	1,561	4,681,600	55,931	166,711,725
District 10: Texas	1,252	4,183,100	68,878	203,863,796
District 11:				
Arizona	94	353,500	2,082	8,218,957
Utah	62	201,600	5,720	15,156,979
Nevada	14	102,900	451	3,212,338
California	832	4,940,200	18,482	95,536,947
Total	1,002	5,598,200	26,735	122,125,221
District 12:				
Montana	132	496,400	5,954	17,161,276
Idaho	260	935,700	9,216	27,364,854
Washington	253	1,321,000	12,367	32,229,258
Oregon	242	1,000,400	8,366	27,285,466
Total	887	3,753,500	35,903	104,040,854
Grand total	14,171	51,418,372	628,781	1,982,224,007

FEDERAL LAND BANKS

TABLE 7.—*Percentage of loan proceeds used to refinance indebtedness during 1938, classified according to type of indebtedness and class of creditor, by States* [1]

District and State	First and junior mortgages held by—				Other indebtedness owed to—			Total
	Life insurance companies	Commercial banks	Joint stock land banks	Others	Commercial banks	Tax authorities	Other creditors	
District 1:								
Maine	----------	18.9	----------	24.3	.2	5.5	23.1	72.0
New Hampshire	----------	28.2	----------	23.7	1.3	2.3	3.8	59.3
Vermont	----------	34.4	----------	28.8	----------	1.1	9.6	73.9
Massachusetts	----------	25.8	----------	21.9	.7	5.7	18.6	72.7
Rhode Island	----------	2.5	----------	36.3	----------	2.4	19.0	60.2
Connecticut	----------	25.9	----------	32.8	.4	3.0	12.6	74.7
New York	----------	10.9	1.7	36.5	1.8	1.1	14.5	66.5
New Jersey	----------	11.3	----------	41.3	.5	6.7	6.4	66.2
Total	----------	16.0	.9	34.2	1.1	2.9	13.3	68.4
District 2:								
Pennsylvania	----------	13.7	.6	40.0	4.3	2.3	8.5	69.4
Delaware	----------	16.9	----------	44.3	----------	.1	8.9	70.2
Maryland	4.3	17.8	3.7	33.4	3.9	.7	5.9	69.7
Virginia	1.6	12.9	2.2	41.0	9.2	.7	5.8	73.4
West Virginia	----------	18.1	5.2	26.4	11.4	.1	8.6	69.8
Total [2]	1.0	14.6	2.0	38.0	6.7	1.2	7.3	70.8
District 3:								
North Carolina	6.1	13.6	5.2	30.4	5.2	4.3	5.5	70.3
South Carolina	2.6	7.3	5.2	32.4	4.1	2.6	11.2	65.4
Georgia	11.4	12.4	4.6	30.1	3.5	3.2	5.2	70.4
Florida	----------	21.7	----------	44.7	5.9	1.5	10.1	83.
Total	6.7	13.4	4.2	32.8	4.5	3.1	7.0	71.7
District 4:								
Ohio	7.0	17.0	2.6	18.1	8.3	.6	7.2	60.
Indiana	8.1	11.8	6.1	18.0	10.1	.6	4.6	59.
Kentucky	4.9	15.6	.2	26.9	14.3	.2	5.0	67.
Tennessee	18.1	14.6	----------	27.3	6.9	1.9	8.4	77.
Total	8.5	14.6	3.2	20.5	9.6	.7	6.1	63.
District 5:								
Alabama	4.5	10.9	4.8	44.1	4.3	.1	6.4	75.
Mississippi	10.1	17.0	5.9	37.5	.8	.7	8.5	80.
Louisiana	12.6	17.2	----------	39.0	4.0	.3	4.6	77.
Total	8.0	14.1	4.2	41.0	3.1	.3	6.7	77.
District 6:								
Illinois	6.4	7.6	3.2	24.8	4.7	.7	5.9	56.
Missouri	16.2	8.2	1.0	33.1	7.6	.8	9.2	76.
Arkansas	20.8	15.0	4.9	28.6	4.8	1.1	9.5	84.
Total	11.2	8.2	2.9	26.4	5.2	.7	6.7	61.

[1] For same information on Land Bank Commissioner loans, see table 51. For percentage of loan proceeds used for all purposes, including refinancing, see table 4.

[2] Excluding Puerto Rico.

FEDERAL LAND BANKS

TABLE 7.—*Percentage of loan proceeds used to refinance indebtedness during 1938, classified according to type of indebtedness and class of creditor, by States*—Continued

District and State	First and junior mortgages held by—				Other indebtedness owed to—			Total
	Life insurance companies	Commercial banks	Joint stock land banks	*Others*	Commercial banks	Tax authorities	Other creditors	
District 7:								
Michigan	2.4	14.8	2.4	35.6	1.4	.9	5.0	62.5
Wisconsin	2.2	9.8		44.8	2.4	.5	5.0	64.7
Minnesota	8.9	4.4		29.9	2.1	1.2	6.7	53.2
North Dakota								
Total	6.0	7.5	.3	65.0	2.1	.9	6.0	57.8
District 8:								
Iowa	16.0	8.8	1.9	27.2	3.8	.2	7.4	65.3
South Dakota	10.1	3.8	.9	25.4	7.1	1.7	18.2	67.2
Nebraska	8.6	8.9	.3	39.6	10.5	1.5	11.6	81.0
Wyoming	13.3	3.8	12.9	25.5	5.7	.4	18.4	80.0
Total	13.2	8.5	1.7	31.3	6.3	.7	9.6	71.3
District 9:								
Kansas	13.6	9.0	1.4	25.6	13.5	1.6	7.6	72.3
Oklahoma	19.7	8.8	.5	28.5	4.8	1.0	5.4	68.7
Colorado	6.9	9.3	3.9	36.3	7.2	1.5	4.8	69.9
New Mexico		6.7		34.7	13.7	.7	13.1	68.9
Total	13.4	8.9	1.5	28.3	10.5	1.4	6.9	70.9
District 16 Texas	13.7	7.4	9.3	27.1	3.8	1.0	4.1	66.4
District 11:								
Arizona	8.1	8.6	6.7	39.9	2.5	4.3	5.7	75.8
Utah	2.4	23.6		46.0	8.2	1.5	1.9	83.6
Nevada	11.7	18.9		30.0	.2	.3	1.8	62.9
California	4.0	21.8	.1	43.6	4.6	1.1	3.5	78.7
Total	4.4	21.0	.5	43.2	4.5	1.3	3.5	78.4
District 12:								
Montana	3.0	12.8	1.9	47.0	3.7	3.7	9.7	81.[illegible]
Idaho	11.4	18.0		39.3	6.0	2.4	7.9	85.[illegible]
Washington	16.2	12.8	3.5	31.5	5.8	2.8	8.5	81.[illegible]
Oregon	4.5	8.2	6.2	44.2	4.1	6.4	9.2	82.[illegible]
Total	*10.1*	*12.8*	*3.2*	*38.0*	*5.1*	*3.8*	*8.7*	*82.*[illegible]
Grand total [1]	9.2	11.7	2.7	32.1	5.5	1.3	7.1	69.[illegible]

[1] Excluding Puerto Rico.

FEDERAL LAND BANKS

TABLE 8.—*Disposition of interest installments on mortgage loans during 1938, by banks*

Federal Land Bank of—	*Interest installments delinquent on Jan. 1, 1938*	*Interest installments matured during 1938*	Total amount *collectible*	Disposition			Percent of total delinquent on Dec. 31, 1938
				Percent of total collected	Percent of total extended or reamortized	Percent of total transferred to loans called for foreclosure or charged off	
Springfield	$262,009	$2,635,756	$2,897,765	83.3	1	2.2	14.4
Baltimore	155,926	2,890,404	3,046,330	87.2	2.6	3.0	7.2
Columbia	341,445	2,488,376	2,829,821	73.3	8.5	1.0	17.2
Louisville	231,467	6,887,637	7,119,104	94.3	.2	.5	5.0
New Orleans	786,912	2,749,597	3,536,509	65.9	6.8	1.0	26.3
St. Louis	478,874	7,066,286	7,545,160	90.7	.9	1.1	7.3
St. Paul	1,673,162	11,095,808	12,768,970	67.1	13.3	3.3	16.3
Omaha	739,245	13,918,337	14,657,582	71.7	16.6	1.7	10.0
Wichita	1,057,656	6,033,778	7,091,434	73.3	3.8	3.4	19.5
Houston	725,406	7,313,829	8,039,235	84.7	5.4	.9	9.0
Berkeley	339,301	4,285,977	4,625,278	84.5	.4	1.2	13.9
Spokane	752,705	3,701,534	4,454,239	76.7	2.9	1.7	18.7
Total	7,544,108	71,067,319	78,611,427	78.1	7.2	1.9	12.8

TABLE 9.—*Principal payments, loans paid off prior to maturity, and loans closed during 1938*

Federal Land Bank of—	Principal payments	Loans paid off prior to maturity[1]	Total payments on principal	Loans closed
Springfield	$1,739,001	$730,815	$2,469,816	$3,121,300
Baltimore	1,802,852	1,376,448	3,179,300	2,009,500
Columbia	2,522,533	1,193,682	3,716,215	1,474,872
Louisville	6,314,638	4,857,716	11,172,354	4,468,700
New Orleans	2,403,089	1,408,082	3,811,171	3,016,600
St. Louis	5,336,352	3,116,613	8,452,965	7,989,200
St. Paul	3,523,975	1,832,304	5,356,279	2,793,200
Omaha	5,245,856	2,821,733	8,067,589	8,328,600
Wichita	3,791,271	1,911,878	5,703,149	4,681,600
Houston	5,668,888	3,928,196	9,597,084	4,183,100
Berkeley	3,095,084	1,661,837	4,756,921	5,598,200
Spokane	2,261,219	1,042,012	3,303,231	3,753,500
Total	43,704,758	25,881,316	69,586,074	51,418,372

[1] Includes loans sold.

FEDERAL LAND BANKS

TABLE 10.—*Classification of mortgage loans outstanding, Dec. 31, 1938, by States*

District and State	Number of loans outstanding	Classified as not delinquent				Classified as delinquent (loans with matured installments unpaid and loans with delinquent extensions)	
		With all matured installments paid in full		With all matured unpaid installments extended with no delinquency in extensions			
		Number	Percent	Number	Percent	Number	Percent
District 1:							
Maine	3,294	1,891	57.4	-------	-------	1,403	42.6
New Hampshire	775	713	92.0	-------	-------	62	8.0
Vermont	2,152	1,748	81.2	-------	-------	404	18.8
Massachusetts	3,101	2,720	87.7	-------	-------	381	12.3
Rhode Island	468	357	76.3	-------	-------	111	23.7
Connecticut	2,514	2,136	85.0	-------	-------	378	15.0
New York	14,142	12,044	85.2	-------	-------	2,098	14.8
New Jersey	3,055	2,604	85.2	-------	-------	451	14.8
Total	29,501	24,213	82.1	-------	-------	5,288	17.9
District 2:							
Pennsylvania	9,382	8,407	89.6	84	.9	891	9.5
Delaware	321	297	92.5	1	.3	23	.2
Maryland	2,397	2,100	87.6	9	.4	288	12.0
Virginia	11,513	10,304	89.5	95	.8	1,114	9.7
West Virginia	4,726	4,204	88.9	18	.4	504	10.7
Puerto Rico	3,806	2,933	77.0	501	13.2	372	9.8
Total	32,145	28,245	87.9	708	2.2	3,192	9.9
District 3:							
North Carolina	12,206	9,655	79.1	980	8.0	1,571	12.9
South Carolina	6,986	4,318	61.8	752	10.8	1,916	27.4
Georgia	12,790	8,896	69.5	1,569	12.3	2,325	18.2
Florida	4,530	3,599	79.5	672	14.8	259	5.7
Total	36,512	26,468	72.5	3,973	10.9	6,071	16.6
District 4:							
Ohio	19,208	17,687	92.1	75	.4	1,446	7.5
Indiana	25,730	24,102	93.7	191	.7	1,437	5.6
Kentucky	13,061	11,692	89.5	77	.6	1,292	9.9
Tennessee	14,107	12,918	91.6	132	.9	1,057	7.5
Total	72,106	66,399	92.1	475	.7	5,232	7.3
District 5:							
Alabama	20,185	15,021	74.4	103	.5	5,061	25.1
Mississippi	17,389	11,835	68.1	170	1.0	5,384	30.9
Louisiana	10,623	7,763	73.1	36	.3	2,824	26.6
Total	48,197	34,619	71.8	309	.6	13,269	27.6
District 6:							
Illinois	24,837	22,317	89.9	447	1.8	2,073	8.3
Missouri	14,375	11,600	80.7	418	2.9	2,357	16.4
Arkansas	10,716	8,928	83.3	919	8.6	869	8.1
Total	49,928	42,845	85.8	1,784	3.6	5,299	10.6

FEDERAL LAND BANKS

TABLE 10.—*Classification of mortgage loans outstanding, Dec. 31, 1938, by States*—Continued

District and State	Number of loans outstanding	Classified as not delinquent: With all matured installments paid in full: Number	Percent	With all matured unpaid installments extended with no delinquency in extensions: Number	Percent	Classified as delinquent (loans with matured installments unpaid and loans with delinquent extensions): Number	Percent
District 7:							
Michigan	22,619	19,579	86.6	117	.5	2,923	12.9
Wisconsin	24,004	17,805	74.2	123	.5	6,076	25.3
Minnesota	29,608	23,558	79.6	56	.2	5,994	20.2
North Dakota	19,703	4,800	24.4	1,622	8.2	13,281	67.4
Total	95,934	65,742	68.5	1,918	2.0	28,274	29.5
District 8:							
Iowa	33,447	28,648	85.7	645	1.9	4,154	12.4
South Dakota	14,922	7,932	53.2	1,231	8.2	5,759	38.6
Nebraska	25,566	14,283	55.9	574	2.2	10,709	41.9
Wyoming	3,076	2,317	75.3	40	1.3	719	23.4
Total	77,011	53,180	69.1	2,490	3.2	21,341	27.7
District 9:							
Kansas	26,987	17,800	65.9	395	1.5	8,792	32.6
Oklahoma	14,636	11,247	76.8	536	3.7	2,853	19.5
Colorado	9,596	6,341	66.1	691	7.2	2,564	26.7
New Mexico	4,712	3,697	78.5	255	5.4	760	16.1
Total	55,931	39,085	69.9	1,877	3.3	14,969	26.8
District 10: Texas	68,878	54,112	78.6	3,643	5.3	11,123	16.1
District 11:							
Arizona	2,082	1,585	76.1	23	1.1	474	22.8
Utah	5,720	4,285	74.9	132	2.3	1,303	22.8
Nevada	451	337	74.7			114	25.3
California	18,482	15,276	82.6	30	.2	3,176	17.2
Total	26,735	21,483	80.4	185	.7	5,067	18.9
District 12:							
Montana	5,954	3,794	63.7	534	9.0	1,626	27.3
Idaho	9,216	7,367	79.9	14	.2	1,835	19.9
Washington	12,367	10,367	83.8	14	.1	1,986	16.1
Oregon	8,366	7,040	84.1	7	.1	1,319	15.8
Total	35,903	28,568	79.6	569	1.6	6,766	18.8
Grand total	628,781	484,959	77.1	17,931	2.9	125,891	20.0

FEDERAL LAND BANKS

TABLE 11.—*Real estate, sheriffs' certificates, etc., acquired and disposed of during 1938, by banks*

Federal Land Bank of—	Acquisitions		Disposals				
	Number	Investment	Number		Investment	Consideration	Consideration as a percent of investment
			Whole	Part			
Springfield	497	$1,576,126	462	42	$1,891,421	$1,517,765	80.2
Baltimore	369	1,042,847	538	56	1,733,155	1,257,052	72.5
Columbia	431	1,001,763	529	55	1,283,007	970,535	75.6
Louisville	212	899,648	321	43	1,517,820	1,290,830	85.0
New Orleans	383	952,563	2,655	542	7,067,701	5,198,080	73.5
St. Louis	356	1,138,576	1,549	151	4,616,454	3,151,066	68.3
St. Paul	2,110	8,262,977	884	94	3,659,011	2,421,367	66.2
Omaha	1,596	9,005,713	666	53	4,571,362	3,165,452	69.2
Wichita	943	2,942,604	618	75	2,272,523	1,745,621	76.8
Houston	672	2,199,149	644	47	2,090,274	1,514,728	72.5
Berkeley	178	888,625	238	47	1,102,352	752,588	68.3
Spokane	667	2,431,106	1,082	118	4,295,831	3,148,361	73.3
Total	8,414	32,341,697	10,186	1,324	36,101,011	26,133,445	72.4

TABLE 12.—*Real estate, sheriff' certificates, etc., held Dec. 31, 1938, by States*

District and State	Farms owned outright		Sheriffs' certificates, etc.	
	Number	Investment	Number	Investment
District 1:				
Maine	166	$590,983		
New Hampshire	21	72,682		
Vermont	31	132,971		
Massachusetts	61	272,339		
Rhode Island	1	4,351		
Connecticut	12	54,251		
New York	245	1,193,924		
New Jersey	40	271,244		
Total	577	2,592,745		
District 2:				
Pennsylvania	265	865,315		
Delaware	5	44,810		
Maryland	31	125,527		
Virginia	181	654,915		
West Virginia	123	349,207		
Puerto Rico	50	210,997		
Total	655	2,250,771		
District 3:				
North Carolina	19	55,085		
South Carolina	42	115,951		
Georgia	75	177,148		
Florida	42	116,429		
Total	178	464,613		
District 4:				
Ohio	48	318,429		
Indiana	181	1,250,709	53	$308,087
Kentucky	48	258,325	1	4,579
Tennessee	31	113,098		
Total	308	1,940,561	54	312,666

FEDERAL LAND BANKS

TABLE 12.—*Real estate, sheriffs' certificates, etc., held Dec. 31, 1938, by States*—Continued

District and State	Farms owned outright		Sheriffs' certificates, etc.	
	Number	Investment	Number	Investment
District 5:				
Alabama	345	$710,958	70	$176,333
Mississippi	776	2,285,439		
Louisiana	133	536,755		
Total	1,254	3,533,152	70	176,333
District 6:				
Illinois	212	1,921,382	40	209,046
Missouri	428	2,252,981	10	50,271
Arkansas	191	385,720	31	76,488
Total	831	4,560,083	81	335,805
District 7:				
Michigan	703	2,595,664	122	366,299
Wisconsin	1,217	6,571,198	8	34,240
Minnesota	1,460	8,469,718	358	1,650,199
North Dakota	3,529	17,297,244	1,287	5,936,148
Total	6,909	34,933,824	1,775	7,986,886
District 8:				
Iowa	414	4,080,902	102	884,209
South Dakota	2,307	14,436,513	388	2,084,594
Nebraska	840	6,183,435	3	33,080
Wyoming	55	198,248	11	25,217
Total	3,616	24,899,098	504	3,027,100
District 9:				
Kansas	491	2,520,542	472	1,826,910
Oklahoma	160	551,020		
Colorado	1,138	3,508,322	161	473,465
New Mexico	135	304,198	20	45,201
Total	1,924	6,884,082	653	2,345,576
District 10: Texas	733	2,861,099		
District 11:				
Arizona	14	95,008	4	27,846
Utah	332	1,436,502	30	126,855
Nevada	35	350,914	2	33,170
California	94	675,697	16	110,107
Total	475	2,558,121	52	297,978
District 12:				
Montana	1,866	6,348,740	115	483,529
Idaho	411	2,311,281	40	191,890
Washington	504	2,205,956	95	356,815
Oregon	297	1,425,337	47	271,951
Total	3,078	12,291,314	297	1,304,185
Grand total	20,538	99,789,463	3,486	15,788,529

FEDERAL LAND BANKS

TABLE 13.—*Bonds issued and retired or called during 1938, and outstanding, Dec. 31, 1938, by type of bond*

Type of bond	Bonds issued during 1938	Bonds retired or called during 1938	Bonds outstanding Dec. 31, 1938[1]
Consolidated	$8,640,000	$25,290,100	$1,813,100,240
Individual		36,744,460	737,280
Total	8,640,000	62,034,560	1,813,837,520

[1] Includes bonds on hand and excludes bonds matured or called.

TABLE 14.—*Individual and consolidated farm loan bonds outstanding, Dec. 31, 1938, by date of issue*[1]

Date of issue	Term (years)	Rate (percent)	Maturity	Amount
Individual				
May 1, 1929	10–30	4½	May 1, 1959	$566,560
July 1, 1929	10–30	4½	July 1, 1959	170,720
Total individual bonds				737,280
Consolidated				
July 1, 1933	10–30	4	July 1, 1963	59,170,000
Mar. 15, 1934	10–30	4	Mar. 15, 1964	54,557,400
May 15, 1934	10–30	4	May 15, 1964	426,616,440
July 1, 1934	10–12	4	July 1, 1946	135,952,500
July 15, 1934	10–30	4	July 15, 1964	147,800,000
Sept. 15, 1934	10–30	4	Sept. 15, 1964	55,610,900
Mar. 15, 1935	10–30	3½	Mar. 15, 1965	5,704,600
Mar. 15, 1935	10–30	3¼	Mar. 15, 1965	39,045,900
Mar. 15, 1935	10–30	3	Mar. 15, 1965	73,824,600
May 1, 1935	10–20	3¼	May 1, 1955	161,985,200
July 1, 1935	10–20	3	July 1, 1955	237,519,800
Jan. 1, 1936	10–20	3	Jan. 1, 1956	202,693,400
May 1, 1936	10–20	3	May 1, 1956	212,619,500
Total consolidated bonds				1,813,100,240
Total individual and consolidated bonds				1,813,837,520

[1] Includes bonds on hand and excludes bonds matured or called.

FEDERAL LAND BANKS

TABLE 15.—*Individual and consolidated farm-loan bonds outstanding, Dec. 31 of each year, 1917–38*

As of Dec. 31—	Individual [1]	Consolidated [1]	Total [1]
1917	(2)		(2)
1918	(2)		(2)
1919	(2)		(2)
1920	(2)		(2)
1921	$432,761,315		$432,761,315
1922	642,708,375		642,708,375
1923	806,669,330		806,669,330
1924	914,763,400		914,763,400
1925	982,192,440		982,192,440
1926	1,059,216,615		1,059,216,615
1927	1,139,616,660		1,139,616,660
1928	1,177,381,260		1,177,381,260
1929	1,190,245,780		1,190,245,780
1930	1,186,438,320		1,186,438,320
1931	1,170,828,980		1,170,828,980
1932	1,148,190,740		1,148,190,740
1933	1,143,840,160	$98,500,000	1,242,340,160
1934	968,581,120	816,861,240	1,785,442,360
1935	536,744,340	1,391,523,240	1,928,267,580
1936	205,674,100	1,758,980,340	1,964,654,440
1937	37,481,740	1,829,750,340	1,867,232,080
1938	737,280	1,813,100,240	1,813,837,520

[1] Includes bonds on hand and excludes bonds matured or called.
[2] Not available.

TABLE 16.—*Collateral pledged with Registrar by the Federal land banks for consolidated and individual farm loan bonds outstanding, Dec. 31, 1938*

Item	Consolidated bonds	Individual bonds
Mortgage loans	$1,962,476,982	
U. S. Government obligations, direct and fully guaranteed (par)	9,575,000	$840,000
Cash deposited for matured or called bonds		4,133,645
Total collateral	1,972,051,982	4,973,645
Bonds outstanding (including matured or called bonds)	1,813,100,240	4,870,925
Excess collateral	158,951,742	102,720

FEDERAL LAND BANKS

TABLE 17.—*Capital stock outstanding, Dec. 31, 1938, by banks and by type of owner*

Federal Land Bank of—	Type of owner				Percent of total owned by national farm loan associations and borrowers with direct loans
	United States Government	National farm loan associations	Borrowers with direct loans	Total	
Springfield	$4,186,115	$4,188,055	$183,800	$8,557,970	51.1
Baltimore	7,284,100	3,675,600	877,830	11,837,530	38.5
Columbia	15,642,895	3,503,050	602,890	19,748,835	20.8
Louisville	4,150,560	11,228,545	16,355	15,395,460	73.0
New Orleans	16,651,475	4,188,000	735,510	21,574,985	22.8
St. Louis	7,806,870	11,285,970	43,395	19,136,235	59.2
St. Paul	33,470,805	16,368,705	171,000	50,010,510	33.1
Omaha	5,959,425	21,856,780	13,020	27,829,225	78.6
Wichita	5,653,475	8,813,260	616,975	15,083,710	62.5
Houston	5,234,885	11,954,774	----------	17,189,659	69.5
Berkeley	3,596,705	6,788,035	54,920	10,439,660	65.5
Spokane	15,322,940	5,842,742	320,250	21,485,932	28.7
Total	124,960,250	109,693,516	3,635,945	238,289,711	47.6

TABLE 18.—*Capital stock outstanding on Dec. 31 of each year from 1917 through 1938, by type of owner*

As of Dec. 31—	Type of owner				Percent of total owned by national farm loan associations and borrowers with direct loans
	United States Government	National farm loan associations	Borrowers with direct loans	Total	
1917	$8,892,130	$1,932,680	$113,490	$10,938,303	18.7
1918	8,765,415	7,838,508	123,516	16,727,439	47.6
1919	7,693,240	14,780,833	100,995	22,575,068	65.9
1920	6,832,680	17,663,725	95,110	24,591,515	72.2
1921	6,598,770	21,997,145	111,255	28,707,170	77.0
1922	4,264,880	32,602,215	135,820	37,002,915	88.5
1923	2,434,385	40,926,390	252,080	43,612,855	94.4
1924	1,670,965	47,524,335	401,775	49,597,075	96.6
1925	1,331,930	51,929,868	521,675	53,783,473	97.5
1926	1,058,885	56,073,365	632,045	57,764,295	98.2
1927	710,651	60,704,385	711,825	62,126,861	98.9
1928	439,225	63,545,055	773,035	64,757,315	99.3
1929	325,983	64,594,535	814,935	65,735,453	99.5
1930	267,724	65,028,560	837,115	66,133,399	99.6
1931	204,698	64,645,328	826,105	65,676,131	99.7
1932	125,046,410	63,197,033	804,400	189,047,843	33.9
1933	124,648,398	68,290,874	1,328,345	194,267,617	35.8
1934	117,617,300	100,371,658	3,605,335	221,594,293	46.9
1935	123,097,895	109,319,814	3,573,555	235,991,264	47.8
1936	124,066,135	110,994,430	3,492,785	238,553,350	48.0
1937	124,121,595	110,410,985	3,432,930	237,965,510	47.8
1938	124,960,250	109,693,516	3,635,945	238,289,711	47.5

FEDERAL LAND BANKS

TABLE 19.—*Interest reduction granted borrowers for which reimbursement is obtained from the Secretary of the Treasury, and subscription to paid-in surplus by the Secretary of the Treasury for deferments and extensions granted borrowers, for selected periods*

Federal Land Bank of—	Interest reduction granted borrowers		Subscription to paid-in surplus	
	1938	Total 1933–38	1938	Total 1933–38
Springfield	$1,148,174	$5,049,145	$1,216,276	$10,628,281
Baltimore	1,310,901	6,157,200	632,861	4,777,679
Columbia	1,233,438	5,882,943	1,300,886	9,236,230
Louisville	3,121,515	13,744,105	1,122,925	10,598,479
New Orleans	1,400,178	7,836,103	1,240,130	15,905,759
St. Louis	2,764,939	11,825,429	1,138,162	12,951,901
St. Paul	4,627,227	19,411,539	6,135,951	27,540,185
Omaha	5,607,006	23,354,521	2,256,670	26,743,181
Wichita	2,550,425	11,051,990	1,292,993	15,396,223
Houston	3,475,239	15,851,831	2,455,229	13,183,829
Berkeley	1,878,754	7,971,201	2,795,315	20,747,844
Spokane	1,807,439	8,651,880	1,296,061	15,600,036
Total	30,925,235	136,787,887	22,883,459	183,309,627

FEDERAL LAND BANKS

TABLE 20.—*Consolidated statement of condition, Dec. 31, 1938*

ASSETS

Mortgage loans:			
Unpaid principal	$1,982,224,006.67		
Less matured principal unpaid (included in delinquent installments)	5,507,443.01	$1,976,716,563.66	
Purchase-money mortgages, contracts, etc.:			
Purchase-money first mortgages	38,814,499.17		
Purchase-money second mortgages	1,860,801.24		
Real-estate sales contracts and notes receivable	49,362,398.03		
Total (unpaid principal)	90,037,698.44		
Less matured principal unpaid (included in delinquent installments)	2,043,534.83	87,994,163.61	
Extensions:			
Unmatured portion	6,661,455.50		
Matured unpaid portion	16,942,571.03		
Total	23,604,026.53		
Less partial payments	2,372,619.36	21,231,407.17	
Delinquent installments:			
Mortgage loans	15,603,949.27		
Purchase money mortgages, contracts, etc.	3,295,441.26		
Total	18,899,390.53		
Less partial payments	2,566,821.87	16,332,568.66	
Tax and insurance advances and miscellaneous items due from borrowers		4,505,173.80	
Accrued interest receivable on mortgage loans (not due)		28,717,368.73	
Total		2,135,497,245.63	
Less reserve		18,595,767.44	$2,116,901,478.19
Cash: General funds			20,193,130.61
Deposits with the Treasurer of the United States:			
Cash deposited for matured or called bonds		4,133,645.00	
Cash deposited for matured bond interest		[1] 744,049.13	
Cash deposited for unmatured consolidated bond interest		10,213,148.00	$15,090,842.13
Due from the Secretary of the Treasury:			
Interest reduction		8,753,912.26	
Paid-in surplus		880,911.39	9,634,823.65
Accounts receivable:			
Due from Federal Farm Mortgage Corporation		1,442,626.31	
Other		349,873.41	1,792,499.72
U. S. Government obligations, direct and fully guaranteed (par $64,729,000)			65,890,829.77
Other bonds and securities			21,354.21
Accrued interest receivable on securities (not due):			
U. S. Government obligations, direct and fully guaranteed		276,311.54	
Other bonds and securities			276,311.54
Real estate owned (investment)		99,769,462.69	
Less reserve		31,938,100.87	67,831,361.82
Sheriffs' certificates, etc. (investment)		15,786,529.11	
Less reserve		5,102,916.53	10,683,612.58
Loans called for foreclosure, judgments, etc. (investment)		28,870,590.03	
Less reserve		8,642,423.44	20,228,176.59
Banking house, furniture, fixtures, equipment, etc.		8,442,926.21	
Less reserve		2,596,478.14	5,846,448.07
Deferred expense:			
Unamortized discount on Federal farm loan bonds sold		5,900,678.22	
Other		109,939.03	6,010,617.25
Other assets			716,542.08
Total assets			2,341,118,027.21

[1] Includes amount deposited in anticipation of interest maturing Jan. 1, 1939, on individual bonds.

FEDERAL LAND BANKS

TABLE 20.—*Consolidated statement of condition, Dec. 31, 1938*—Continued

LIABILITIES

Federal farm loan bonds outstanding:			
Consolidated bonds	$1,813,100,240.00		
Individual bonds	737,280.00	$1,813,837,520.00	
Less bonds on hand:			
Consolidated bonds	[1] 51,753,900.00		
Individual bonds	29,620.00	51,783,520.00	
			$1,762,054,000.00
Matured obligations:			
Federal farm loan bonds matured or called		4,133,645.00	
Matured interest on Federal loan bonds		743,562.23	4,877,207.23
Notes payable:			
Federal Farm Mortgage Corporation		26,200,000.00	
Other		14,148,000.00	40,348,000.00
Accrued interest payable (not due):			
Federal farm loan bonds		19,285,245.51	
Notes payable		220,250.46	19,505,495.97
Deferred proceeds of loans			783,781.73
Accounts payable			574,336.80
Dividends declared but unpaid			120,915.49
Trust accounts			5,885,830.02
Payments received on unmatured installments:			
Mortgage loans		2,572,013.49	
Purchase money mortgages and contracts		197,751.36	2,769,764.85
Taxes and assessments due on bank-owned real estate			1,378,875.48
Other liabilities			1,725,996.52
Deferred income:			
Unamortized premium on Federal farm loan bonds sold		231,559.50	
Other		34,626.08	266,185.58
Reserve for title losses			336,769.09
Capital stock owned by:			
U. S. Government		124,960,250.00	
National farm loan associations		109,693,516.25	
Direct borrowers and others		3,635,945.00	238,289,711.25
Paid-in surplus			183,309,626.61
Legal reserve			49,868,053.90
Reserve for contingencies			18,529,322.56
Earned surplus			5,000,000.00
Undivided profits			5,494,154.13
Total liabilities			2,341,118,027.21

[1] Of this amount $31,040,000 is pledged as collateral to notes payable.

FEDERAL LAND BANKS

TABLE 21.—*Consolidated profit and loss statements for the years ended Dec. 31, 1938, Dec. 31, 1937*

Item	Jan. 1 to Dec. 31, 1938		Jan. 1 to Dec. 31, 1937	
EARNINGS				
Interest:				
Mortgage loans	$101,642,604.84		$104,597,417.87	
U. S. Government obligations, direct and fully guaranteed, and other securities	1,590,937.20		1,315,475.06	
Extensions and defaulted payments	2,601,765.07		2,027,487.00	
Purchase money mortgages and contracts	5,195,816.97	$111,031,124.08	3,585,460.61	$111,525,840.54
Other income:				
Loan fees	360,340.35		332,738.06	
Miscellaneous	182,702.07	543,042.42	178,875.50	511,613.56
Gross earnings		111,574,166.50		112,037,454.10
DEDUCTIONS FROM EARNINGS				
Interest:				
Federal farm loan bonds	63,011,420.77		67,040,252.46	
Notes payable	1,112,400.23		1,202,730.43	
Other interest expense	41,371.31		43,430.05	
Total	64,165,192.31		68,286,412.94	
Operating expense	13,064,968.73		14,641,674.83	
Total deductions from gross earnings		77,230,161.04		82,928,087.77
Net operating earnings		34,344,005.46		29,109,366.33
OTHER EARNINGS				
Mortgage loan and real estate transactions:				
Recoveries from national farm loan associations	877,514.26		1,968,776.06	
Miscellaneous	223.12		6,820.90	
Total	877,737.38		1,975,596.96	
Premium and discount on securities (amortized), and profit on securities transactions	824,103.04		581,048.04	
Miscellaneous other additions	380,392.12	2,082,232.54	309,286.25	2,865,931.25
OTHER DEDUCTIONS				
Mortgage loan and real estate transactions:				
Net loss on real estate	9,496,788.47		11,522,412.98	
Miscellaneous	94,481.63		152,187.89	
Total	9,591,270.10		11,674,600.87	
Premium and discount on securities (amortized), and loss on securities transactions	1,033,203.22		1,110,799.13	
Miscellaneous other deductions	69,458.71	10,693,932.03	85,625.04	12,871,025.04
Net profit before adjustment of reserves		25,732,305.97		19,104,272.54
Adjustment of reserves (net)	12,868,843.01		5,468,640.53	
Adjustment: Deferred income on real estate sales	+3,115,059.59			
Total adjustment		9,753,783.42		5,468,640.53
Net profit after adjustment of reserves		15,978,522.55		13,635,632.01

NATIONAL FARM LOAN ASSOCIATIONS

TABLE 22.—*Charters issued and canceled during 1938, and number of associations as of Dec. 31, 1938, by districts*

District	Associations in operation, Jan. 1, 1938	Charters issued during 1938	Charters canceled during 1938	Associations in operation, Dec. 31, 1938		
				Total	Records at bank	Active
Springfield	167	2	4	165	27	138
Baltimore	210			210		210
Columbia	520	55	192	383	37	346
Louisville	479	7	15	471		471
New Orleans	317	19	65	271		271
St. Louis	427	32	79	380		380
St. Paul	722	32	117	637	3	634
Omaha	502			502		502
Wichita	358	18	47	329		329
Houston	350	17	42	325		325
Berkeley	187	9	23	173	40	133
Spokane	442	30	113	359	70	289
Total	• 4,681	221	697	4,205	177	4,028

NATIONAL FARM LOAN ASSOCIATIONS

LE 23.—*Attendance at national farm loan associations' annual meetings held during 1938*

District and State	Members present	Visitors: L. B. C. borrowers	Visitors: Direct borrowers	Visitors: Nonborrowers	Total attendance
trict 1:					
Maine	470	13	1	76	560
New Hampshire	49		6	12	67
Vermont	127	2		19	148
Massachusetts	325	4		250	579
Rhode Island	63			53	116
Connecticut	212	8		98	318
New York	871	36	23	256	1, 186
New Jersey	185	1		58	244
Total	2, 302	64	30	822	3, 218
strict 2:					
Pennsylvania	2, 145	203	86	836	3, 270
Delaware	96	15		26	137
Maryland	585	23	6	182	796
Virginia	2, 587	169	82	644	3, 482
West Virginia	1, 085	113		387	1, 585
Puerto Rico					
Total	6, 498	523	174	2, 075	9, 270
istrict 3:					
North Carolina	2, 347	168	9	915	3, 439
South Carolina	844	33	18	278	1, 173
Georgia	2, 069	132	20	446	2, 667
Florida	605	24	5	176	810
Total	5, 865	357	52	1, 815	8, 089
istrict 4:					
Ohio	6, 102	661		2, 458	9, 221
Indiana	7, 680	992	1	2, 395	11, 068
Kentucky	4, 581	794	3	785	6, 163
Tennessee	4, 614	752		1, 029	6, 395
Total	22, 977	3, 199	4	6, 667	32, 847
istrict 5:					
Alabama	3, 459	559	280	2, 083	6, 381
Mississippi	3, 933	1, 190	310	5, 076	10, 509
Louisiana	1, 321	186	173	735	2, 415
Total	8, 713	1, 935	763	7, 894	19, 305
District 6:					
Illinois	5, 373	359	44	3, 911	9, 687
Missouri	3, 681	677	27	2, 496	6, 881
Arkansas	1, 866	539	37	1, 191	3, 633
Total	10, 920	1, 575	108	7, 598	20, 201

NATIONAL FARM LOAN ASSOCIATIONS

TABLE 23.—*Attendance at national farm loan associations' annual meetings held during 1938*—Continued

District and State	Members present	Visitors: L. B. C. borrowers	Visitors: Direct borrowers	Visitors: Nonborrowers	Total attendance
District 7:					
Michigan	2,383	382	8	1,093	3,866
Wisconsin	4,425	705	61	3,229	8,420
Minnesota	3,873	525	40	1,843	6,281
North Dakota	2,879	333	25	695	3,932
Total	13,560	1,945	134	6,860	22,499
District 8:					
Iowa	4,861	65	5	1,187	6,118
South Dakota	1,862	333	7	606	2,808
Nebraska	3,619	113		953	4,685
Wyoming	379	16		44	439
Total	10,721	527	12	2,790	14,050
District 9:					
Kansas	4,821	289	137	1,983	7,230
Oklahoma	2,407	238	60	947	3,652
Colorado	1,725	292	72	949	3,038
New Mexico	672	85	3	268	1,028
Total	9,625	904	272	4,147	14,948
District 10: Texas	8,555	544		2,149	11,248
District 11:					
Arizona	186	12		62	260
Utah	1,081	48	2	180	1,311
Nevada	30				30
California	3,055	846	4	1,100	5,005
Total	4,352	906	6	1,342	6,606
District 12:					
Montana	613	6	1	51	671
Idaho	924	9	12	76	1,021
Washington	1,766	15	1	167	1,949
Oregon	1,102	13	1	112	1,228
Total	4,405	43	15	406	4,869
Grand total	108,493	12,522	1,570	44,565	167,150

PRODUCTION CREDIT CORPORATIONS

TABLE 24.—*Consolidated statement of condition, Dec. 31, 1938*

ASSETS		
Class A stock of production credit associations	$75,788,471.68	
Less reserve for class A stock investments	235,000.00	$75,553,471.68
Cash:		
On hand and in banks	316,330.93	
On deposit with Treasurer of the United States	3,270.40	319,601.33
U. S. Government obligations, direct and fully guaranteed (par)	32,795,550.00	
Less sold at par under repurchase agreement [1]	13,000,450.00	
Net	19,795,100.00	
Unamortized discount	24,867.84	19,770,232.16
Consolidated Federal farm loan bonds (par)	101,200,000.00	
Less sold at par under repurchase agreement [1]	75,347,050.00	
Net	25,852,950.00	25,852,950.00
Unamortized discount		
Accounts receivable		4,873.38
Accrued interest receivable (net):		
U. S. Government obligations, direct and fully guaranteed	52,452.19	
Consolidated Federal farm loan bonds	379,928.03	432,380.22
Automobiles, furniture, fixtures, and equipment (net)		
Bank building [2]		5,523.96
Prepaid and deferred expense		1,767.86
Other assets		33,282.45
Total assets		121,973,883.04
LIABILITIES		
Accounts payable		1,978.35
Due to production credit associations		7,000.00
Capital stock		120,000,000.00
Earned surplus		1,964,904.69
Total liabilities		121,973,883.04

[1] The securities have been sold at par to production credit associations, but by agreement are subject to repurchase at par by the production credit corporations.

[2] This represents the investment in office quarters by the Production Credit Corporation of Berkeley.

PRODUCTION CREDIT ASSOCIATIONS

TABLE 25.—*Number of associations, paid in capital stock, and number of class B stockholders, Dec. 31, 1938, by States*

District and State	Number of associations	Paid-in capital			Number of class B stockholders
		Total	Class A stock [1]	Class B stock	
District 1:					
Maine	8	$1,988,893	$1,663,343	$325,550	3,047
New Hampshire	1	158,205	140,300	17,905	357
Vermont	3	508,540	414,780	93,760	1,677
Massachusetts	4	526,920	451,090	75,830	1,005
Rhode Island	1	193,055	150,280	42,775	295
Connecticut	1	362,230	251,050	111,180	1,010
New York	13	2,355,670	1,888,535	467,135	6,411
New Jersey	4	722,170	586,615	135,555	1,617
Total	35	6,815,683	5,545,993	1,269,690	15,428
District 2:					
Pennsylvania	11	2,047,404	1,819,064	228,340	5,082
Delaware	1	189,810	175,600	14,210	387
Maryland	6	1,241,900	1,114,155	127,745	1,669
Virginia	14	2,120,877	1,924,810	196,067	4,683
West Virginia	4	633,370	581,370	52,000	987
Puerto Rico	1	700,915	602,010	98,905	305
Total	37	6,934,276	6,217,009	717,267	13,113
District 3:					
North Carolina	28	3,453,080	3,014,965	438,115	21,756
South Carolina	23	2,488,080	2,188,950	299,130	14,396
Georgia	33	3,164,825	2,791,320	373,505	15,937
Florida	10	1,422,235	1,176,270	245,965	3,314
Total	94	10,528,220	9,171,505	1,356,715	55,403
District 4:					
Ohio	12	2,309,570	1,842,250	467,320	11,492
Indiana	10	2,239,845	1,781,540	158,305	10,050
Kentucky	12	1,377,820	1,170,660	207,160	6,566
Tennessee	9	1,613,780	1,383,160	230,620	7,147
Total	43	7,541,015	6,177,610	1,363,405	35,255
District 5:					
Alabama	8	1,782,865	1,590,540	192,325	5,690
Mississippi	10	2,800,445	2,331,105	469,340	14,746
Louisiana	8	2,049,385	1,701,340	348,045	7,747
Total	26	6,632,695	5,622,985	1,009,710	28,192
District 6:					
Illinois	21	2,851,625	2,281,120	570,505	10,377
Missouri	15	1,815,850	1,512,845	303,005	7,661
Arkansas	20	2,812,100	2,503,205	308,895	10,501
Total	56	7,479,575	6,297,170	1,182,405	28,539

[1] Includes $404,277 class A stock owned by private investors.

PRODUCTION CREDIT ASSOCIATIONS

TABLE 25.—*Number of associations, paid-in capital stock, and number of class B stockholders, Dec. 31, 1938, by States*—Continued

District and State	Number of associations	Paid-in capital			Number of class B stockholders
		Total	Class A stock	Class B stock	
District 7:					
Michigan	15	$1,655,615	$1,410,745	$244,870	8,262
Wisconsin	21	2,238,425	1,780,355	458,070	12,932
Minnesota	26	2,595,530	2,159,010	436,520	9,915
North Dakota	12	1,305,020	1,166,930	138,090	4,252
Total	74	7,794,590	6,517,040	1,277,550	35,361
District 8:					
Iowa	17	2,395,890	2,005,925	299,965	3,203
South Dakota	10	1,595,410	1,384,215	211,195	3,237
Nebraska	14	2,112,005	1,826,880	285,125	2,657
Wyoming	1	644,725	501,740	142,985	287
Total	42	6,748,030	5,808,760	939,270	9,384
District 9:					
Kansas	14	2,110,435	1,859,000	251,435	3,673
Oklahoma	14	2,317,055	2,022,560	294,495	6,895
Colorado	8	1,753,280	1,397,875	355,405	1,752
New Mexico	5	1,113,775	857,235	256,540	724
Total	41	7,294,545	6,136,670	1,157,875	13,044
District 10: Texas	36	6,585,630	5,554,180	1,031,450	9,951
District 11:					
Arizona	2	732,415	575,775	156,640	834
Utah	2	794,115	603,080	191,035	789
Nevada	1	355,110	250,570	104,540	111
California	25	5,936,430	4,716,245	1,220,185	6,873
Total	30	7,818,070	6,145,670	1,672,400	8,607
District 12:					
Montana	11	2,559,275	1,985,685	573,590	3,331
Idaho	5	1,649,575	1,186,075	463,500	2,641
Washington	8	2,550,807	2,111,892	438,915	2,749
Oregon	8	2,238,965	1,694,505	544,460	1,691
Total	32	8,998,622	6,978,157	2,020,465	10,412
Grand total	546	91,170,951	76,172,749	14,998,202	262,689

NOTE.—Includes data for associations which have been placed in liquidation.

PRODUCTION CREDIT ASSOCIATIONS

TABLE 26.—*Applications received and loans closed during 1938, and loans outstanding Dec. 31, 1938, by States*

District and State	Number of applications received	Loans closed		Loans outstanding Dec. 31, 1938	
		Number	Amount	Number	Amount
District 1:					
Maine	1,147	619	$721,781	1,194	$875,150
New Hampshire	606	296	295,972	262	173,866
Vermont	2,246	1,801	1,807,130	1,535	1,196,285
Massachusetts	1,271	886	1,286,226	755	815,384
Rhode Island	491	240	717,101	236	548,332
Connecticut	1,382	1,015	1,912,829	898	1,380,938
New York	9,440	6,755	9,236,472	5,326	5,348,325
New Jersey	2,316	1,684	2,592,751	1,286	1,484,448
Total	18,899	13,296	18,550,262	11,492	11,822,728
District 2:					
Pennsylvania	7,945	5,679	4,249,547	4,564	2,593,900
Delaware	519	368	236,458	318	153,725
Maryland [1]	2,261	1,690	2,797,629	1,319	1,189,025
Virginia	5,210	3,949	3,062,451	2,301	1,739,277
West Virginia	1,277	951	972,025	802	712,120
Puerto Rico	291	227	1,600,875	275	1,211,463
Total	17,503	12,864	12,918,985	9,579	7,599,510
District 3:					
North Carolina	22,055	19,625	7,586,527	3,758	1,005,548
South Carolina	14,205	12,700	5,056,603	3,412	868,919
Georgia	16,325	14,361	6,535,761	6,113	1,784,703
Florida	4,051	2,732	4,368,239	1,821	3,449,112
Total	56,636	49,418	23,547,130	15,104	7,108,282
District 4:					
Ohio	14,582	11,575	9,718,880	10,417	6,147,142
Indiana	13,638	10,001	10,445,373	8,783	5,901,900
Kentucky	7,921	6,182	4,101,373	5,594	2,746,652
Tennessee	9,133	6,825	4,536,648	5,135	2,788,795
Total	45,274	34,583	28,802,274	29,929	17,584,489
District 5:					
Alabama	6,617	5,333	3,849,168	1,810	1,181,362
Mississippi	16,034	13,730	8,097,843	3,324	1,186,705
Louisiana	8,120	7,050	6,111,893	2,130	1,550,849
Total	30,971	26,113	18,058,904	7,264	3,918,916
District 6:					
Illinois	16,066	11,238	13,653,240	8,876	7,397,298
Missouri	13,136	8,033	6,956,377	6,097	3,754,440
Arkansas	10,870	8,951	5,186,354	2,243	1,122,633
Total	40,072	28,222	25,695,971	17,216	12,274,371

[1] [illegible] Production Credit Association of district 2.

PRODUCTION CREDIT ASSOCIATIONS

TABLE 26.—*Applications received and loans closed during 1938, and loans outstanding, Dec. 31, 1938, by States*—Continued

District and State	Number of applications received	Loans closed		Loans outstanding, Dec. 31, 1938	
		Number	Amount	Number	Amount
District 7:					
Michigan	8,622	6,953	$4,074,970	6,762	2,959,257
Wisconsin	13,529	12,255	8,623,965	11,660	5,968,011
Minnesota	10,516	9,202	8,898,859	8,710	5,767,046
North Dakota	2,276	1,855	1,107,516	2,093	938,005
Total	34,943	30,265	22,705,310	29,225	15,632,319
District 8:					
Iowa	4,464	3,228	7,737,304	2,600	4,007,790
South Dakota	3,335	3,252	4,539,241	2,885	2,730,755
Nebraska	3,264	2,740	6,575,631	2,224	3,468,177
Wyoming	327	269	3,165,303	223	1,694,377
Total	11,390	9,489	22,017,479	7,932	11,901,099
District 9:					
Kansas	5,017	3,414	5,260,056	2,820	2,675,200
Oklahoma	7,676	6,124	5,849,205	4,138	2,811,202
Colorado	2,347	1,663	7,728,581	1,358	3,566,789
New Mexico	836	707	5,575,623	451	2,426,536
Total	15,876	11,908	24,413,465	8,767	11,479,727
District 10. Texas	11,717	9,669	25,744,075	6,319	10,211,079
District 11:					
Arizona	1,104	873	3,635,781	635	1,813,396
Utah	745	719	4,485,796	617	2,268,137
Nevada	134	114	3,009,767	94	1,435,318
California	8,678	6,337	25,457,287	4,945	10,879,841
Total	10,661	8,043	36,588,631	6,291	16,396,692
District 12:					
Montana	3,823	3,268	13,670,122	2,396	6,840,151
Idaho	3,489	2,531	10,884,234	1,937	5,474,525
Washington	3,013	2,266	7,334,477	2,093	3,924,725
Oregon [1]	2,222	1,549	11,691,490	1,307	5,868,108
Total	12,547	9,614	43,580,323	7,733	22,107,509
Grand total	306,489	243,484	302,622,809	156,851	148,036,721

[1] Includes all of Northwest Livestock Production Credit Association of district 12.

NOTE.—Includes data for associations which have been placed in liquidation.

PRODUCTION CREDIT ASSOCIATIONS

TABLE 27.—*Applications received, loans closed, and loans outstanding, for specified periods*

Period	Number of applications received	Loans closed [1]		Loans outstanding at end of period	
		Number	Amount advanced	Number	Amount
Organization through Dec. 31, 1934	288,950	135,432	$107,243,065	[2] 70,379	$60,851,506
1935	297,566	218,814	196,306,112	116,929	94,095,723
1936	329,536	234,651	228,090,206	129,352	105,211,954
1937	334,269	245,799	280,577,842	144,729	138,168,896
1938	306,489	243,484	302,622,809	156,851	148,036,721
1938					
January	43,986	22,415	21,402,545	150,015	138,995,658
February	55,314	39,737	25,634,653	174,337	147,983,491
March	48,305	51,359	33,634,195	206,445	162,599,968
April	26,361	27,460	28,109,995	219,210	173,113,093
May	16,319	14,817	23,371,820	223,043	179,790,307
June	12,427	10,276	21,848,786	224,103	184,326,851
July	11,516	8,237	18,361,640	223,966	183,890,804
August	15,006	9,926	18,703,816	218,954	181,153,954
September	15,843	11,036	20,746,599	202,930	170,805,510
October	19,080	14,214	29,125,503	174,223	154,559,971
November	19,759	15,435	31,178,669	161,674	148,430,381
December	22,513	18,572	30,504,588	156,851	148,036,721

[1] Includes loans purchased from regional agricultural credit corporations.

[2] Does not include number of regional agricultural credit corporation loans purchased and outstanding.

NOTE.—*Includes data for associations which have been placed in liquidation.*

TABLE 28.—*Cash advanced on loans, losses, and provision for loans*

District	Total cash advanced to Dec. 31, 1938	Total valuation reserves, Dec. 31, 1938	Charge-offs (net) organization to Dec. 31, 1938	Total losses and provision for losses		Loans outstanding, Dec. 31, 1938	Total legal reserves and undivided profits	
				Amount	Percent of cash advanced		Amount	Percent of loans outstanding
Springfield	$51,407,120	$306,777	$410,703	$717,480	1.4	$11,822,728	$502,711	4.3
Baltimore	36,339,638	114,789	105,555	220,344	.6	7,599,510	518,385	6.8
Columbia	80,457,040	125,708	86,275	211,983	.3	7,108,282	1,014,237	14.3
Louisville	66,451,467	133,493	52,593	186,086	.3	17,584,489	828,835	4.7
New Orleans	64,038,526	74,766	32,196	106,962	.2	3,918,916	972,490	24.8
St. Louis	66,902,899	69,772	48,814	118,586	.2	12,274,371	810,897	6.6
St. Paul	55,118,497	133,627	13,811	147,438	.3	15,632,319	895,063	5.7
Omaha	61,471,374	25,205	19,063	44,268	.1	11,901,099	976,508	8.2
Wichita	72,495,239	86,673	62,194	148,867	.2	11,479,727	1,205,225	10.5
Houston	64,064,546	115,689	23,550	139,239	.2	10,211,079	916,985	9.0
Berkeley	118,290,187	543,840	142,079	685,919	.6	16,396,692	1,087,041	6.6
Spokane	146,303,589	575,723	275,887	851,610	.6	22,107,509	1,458,618	6.6
Total	883,340,122	2,306,062	1,272,720	3,578,782	.4	148,036,721	11,186,995	7.6

NOTE.—Includes data for associations which have been placed in liquidation.

PRODUCTION CREDIT ASSOCIATIONS

TABLE 29.—*Number of farmers or stockmen owning class B stock in production credit associations in January of each year and attendance at stockholders' meetings, 1936, 1937, and 1938*

District and State	Number of farmers or stockmen owning class B stock in January of each year			Number of persons attending annual stockholders' meetings [1]		
	1936	1937	1938	1936	1937	1938
District 1:						
Maine	2,927	676	849	1,105	283	468
New Hampshire	238	362	405	97	133	152
Vermont	982	1,274	1,494	240	493	623
Massachusetts	1,018	1,037	1,067	417	622	737
Rhode Island	213	254	281	119	211	188
Connecticut	705	837	961	159	376	411
New York	4,076	4,972	5,904	1,646	3,788	4,095
New Jersey	1,139	1,349	1,544	900	1,204	1,290
Total	11,298	10,761	12,505	4,683	7,110	7,964
District 2:						
Pennsylvania	3,322	3,935	4,748	1,377	2,599	2,112
Delaware	240	285	304	190	349	325
Maryland	1,263	1,539	1,630	821	877	1,163
Virginia	3,060	3,695	4,129	2,052	2,645	2,485
West Virginia	871	837	951	299	375	359
Puerto Rico						
Total	8,756	10,291	11,822	4,739	6,845	6,444
District 3:						
North Carolina	18,364	20,114	20,871	9,402	10,383	12,453
South Carolina	14,664	15,476	15,242	7,508	6,309	6,383
Georgia	11,796	14,331	15,608	6,676	6,939	8,972
Florida	2,342	2,448	3,019	1,601	1,382	1,368
Total	47,166	52,369	54,740	25,187	25,013	29,176
District 4:						
Ohio	5,966	8,431	9,984	1,652	5,422	6,563
Indiana	6,212	8,017	9,239	1,131	2,945	5,012
Kentucky	3,203	4,475	5,527	1,025	1,636	3,434
Tennessee	6,215	7,111	7,155	1,419	2,296	1,998
Total	21,596	28,034	31,905	5,227	12,299	17,007
District 5:						
Alabama	5,964	6,528	6,366	2,209	2,647	3,137
Mississippi	10,247	12,166	13,871	3,964	4,191	5,398
Louisiana	6,236	6,278	7,170	1,997	3,694	4,805
Total	22,447	24,972	27,407	8,170	10,532	13,340
District 6:						
Illinois	5,878	7,579	9,245	2,705	5,712	6,833
Missouri	4,751	6,101	7,165	1,817	2,476	2,616
Arkansas	10,498	10,867	9,932	6,953	7,401	6,050
Total	21,127	24,547	26,342	11,475	15,589	15,499

[1] Includes stockholders and visitors.

PRODUCTION CREDIT ASSOCIATIONS

TABLE 29.—*Number of farmers or stockmen owning class B stock in production credit associations in January of each year and attendance at stockholders' meetings, 1936, 1937, and 1938*—Continued

District and State	Number of farmers or stockmen owning class B stock in January of each year			Number of persons attending annual stockholders' meetings		
	1936	1937	1938	1936	1937	1938
District 7:						
Michigan	6,386	7,306	7,657	1,302	2,203	2,606
Wisconsin	9,098	10,548	11,703	1,662	6,300	9,355
Minnesota	9,458	9,714	9,846	1,726	4,842	5,656
North Dakota	3,949	4,193	2,169	746	1,277	1,943
Total	28,891	31,761	31,375	5,436	14,622	19,560
District 8:						
Iowa	2,073	2,413	2,935	959	1,879	3,259
South Dakota	2,949	3,189	3,144	623	889	1,741
Nebraska	2,751	2,844	2,583	1,219	1,781	2,980
Wyoming	315	313	285	73	67	94
Total	8,088	8,759	8,947	2,874	4,616	8,074
District 9:						
Kansas	3,876	4,122	3,788	2,411	2,055	3,150
Oklahoma	8,788	8,857	7,801	2,760	2,578	3,259
Colorado	1,705	1,866	1,747	980	980	1,539
New Mexico	728	772	721	431	621	844
Total	15,097	15,617	14,057	6,582	6,234	8,792
District 10: Texas	11,559	11,811	10,243	6,584	6,056	5,833
District 11:						
Arizona	184	188	626	93	86	246
Utah	430	605	786	121	173	263
Nevada	92	110	113	68	66	83
California	5,266	5,950	6,711	2,290	2,531	3,797
Total	5,972	6,853	8,236	2,572	2,856	4,389
District 12:						
Montana	3,480	3,723	3,542	1,015	1,207	2,170
Idaho	3,043	3,014	2,641	535	492	1,163
Washington	2,489	2,534	2,440	916	1,376	1,997
Oregon	1,228	1,370	1,611	523	649	1,201
Total	10,240	10,641	10,234	2,989	3,724	6,531
Grand total	212,237	236,416	247,813	85,518	115,496	142,609

PRODUCTION CREDIT ASSOCIATIONS

TABLE 30.—*Combined statement of condition, Dec. 31, 1938. 546 associations* [1]

ASSETS

Loans			$148,036,721.00	
Less reserve			1,991,525.81	$146,045,19
Cash				4,571,11
Securities (par value):				
U. S. Government obligations, direct and fully guaranteed:				
Pledged		$11,238,350.00		
Unpledged		1,184,200.00	[2] 12,422,550.00	
Consolidated Federal farm loan bonds:				
Pledged		60,043,750.00		
Unpledged		14,684,500.00	74,726,250.00	
				87,150,80
Guaranty fund investment				1,176,70
Accrued interest receivable:				
Loans			3,686,477.35	
Less reserve			228,279.39	
Net			3,458,197.96	
Securities			1,324,371.06	4,782,56
Accounts receivable:				
Production credit corporations			12,000.01	
Federal intermediate credit banks			4,168.88	
Other			32,394.93	48,563
Assets acquired in liquidation of loans			451,836.53	
Less reserve			86,257.01	365,579
Furniture and fixtures (net)				281,952
Other assets				36,792
Total assets				244,459,269

LIABILITIES

Loans rediscounted with Federal intermediate credit banks				$124,002,719
Notes payable: Federal intermediate credit banks				16,881,689
Undisbursed proceeds of loans				549,400
Accounts payable:				
Production credit corporations			$68.57	
Federal intermediate credit banks			3,540.18	
Other			65,591.39	69,200
Accrued interest payable—Federal intermediate credit banks:				
Loans rediscounted			851,975.91	
Notes payable			87,503.96	939,479
Other liabilities				16,952
Capital stock:				
Class A:				
Production credit corporations		[2] $75,768,471.68		
Other		404,277.10	76,172,748.78	
Class B (unimpaired)		14,530,852.10		
Class B (impaired)		467,350.00		
Less impairment		358,117.91	14,640,084.19	
				90,812,832
Reserve for guaranty fund				1,176,700
Other surplus reserves and undivided profits				10,010,294
Total liabilities				244,459,269

[1] Includes associations which have been placed in liquidation.

[2] These amounts reflect the retirement as of Dec. 31, 1938, of $20,000 class A stock, together with the repu chase of an equal amount of U. S. Government obligations direct and fully guaranteed by the Productio

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 31.—*Loans and discounts during 1938, by banks and by type of institution*

Federal Intermediate Credit Bank of—	Loans to and discounts for financing institutions			Discounts for banks for cooperatives	Direct loans to cooperative associations	Total
	Production-credit associations	Other	Total			
Springfield	$20,484,495	$1,030,660	$21,515,155	$3,420,422	$1,700,000	$26,635,577
Baltimore	14,267,459	1,895,423	16,162,882	7,382,391		23,545,273
Columbia	31,687,332	817,745	32,505,077	2,276,488		34,781,565
Louisville	31,593,581	2,485,930	34,079,511	2,307,363		36,386,874
New Orleans	19,229,053	6,406,007	25,635,060	5,119,944		30,755,004
St. Louis	24,807,740	6,446,107	31,253,847	2,224,310	968,303	34,446,460
St. Paul	26,958,771	5,678,548	32,637,319	1,230,532		33,867,851
Omaha	24,657,784	4,804,452	29,462,236	871,077		30,333,313
Wichita	24,738,249	4,120,170	28,858,419	3,110,467		31,968,886
Houston	30,196,363	38,808,770	69,005,133	3,559,096		72,564,229
Berkeley	40,070,396	11,585,169	51,655,565	4,562,456		56,218,021
Spokane	43,061,478	6,387,365	49,448,843	3,070,665		52,519,508
Total	331,752,701	90,466,346	422,219,047	39,135,211	2,668,303	464,022,561

TABLE 32.—*Loans and discounts during 1938, by quarters and by type of institution*

Quarter ended	Loans to and discounts for financing institutions			Discounts for banks for cooperatives	Direct loans to cooperative associations	Total
	Production-credit associations	Other	Total			
Mar. 31	$87,651,869	$18,796,556	$106,448,425	$5,492,596	$1,278,000	$113,219,021
June 30	81,576,779	24,534,657	106,111,436	6,094,190	60,000	112,265,626
Sept. 30	63,400,278	16,965,557	80,365,835	11,916,124	271,303	92,553,262
Dec. 31	99,123,775	30,169,576	129,293,351	15,632,301	1,059,000	145,984,652
Total	331,752,701	90,466,346	422,219,047	39,135,211	2,668,303	464,022,561

TABLE 33.—*Loans to cooperative associations and discounts for banks for cooperatives outstanding, Dec. 31, 1938, by commodities*

Type of cooperative and commodity	Direct loans to cooperative associations	Discounts for banks for cooperatives
Marketing associations:		
Cotton		$8,060,000
Wool and mohair		7,313,741
Dried fruits		2,666,368
Canned fruits and vegetables		2,500,560
Rice	$605,126	
Wheat and other grains		3,038,676
Clover, grass, and other seeds		158,743
Tobacco		
Miscellaneous	15,000	1,545,796
Total	620,126	25,283,884
Purchasing associations	300,000	
Grand total	920,126	25,283,884

FEDERAL INTERMEDIATE CREDIT BANKS

BLE 34.—*Loans and discounts outstanding Dec. 31, 1938, by banks and by type of institution*

deral Intermediate Credit Bank of—	Financing institutions			Banks for coopera-tives	Coopera-tive asso-ciations	Total
	Production credit associa-tions	Other	Total			
ringfield	$11,653,188	$607,630	$12,260,818	$3,118,792	$300,000	$15,679,610
ltimore	7,232,309	1,054,913	8,287,222	3,848,127		12,135,349
lumbia	6,577,015	369,884	6,946,899	1,747,250		8,694,149
uisville	17,185,623	943,160	18,128,783	1,544,500		19,673,283
w Orleans	3,501,999	1,187,602	4,689,601	2,726,500		7,416,101
. Louis	12,001,811	2,191,415	14,193,226	1,673,243	620,126	16,486,595
. Paul	15,126,314	4,336,649	19,462,963	692,500		20,155,463
maha	11,529,698	2,163,584	13,693,282	807,834		14,501,116
ichita	11,164,256	1,797,476	12,961,732	2,477,843		15,439,575
ouston	9,702,382	10,805,565	20,507,947	1,480,250		21,988,197
erkeley	15,828,596	4,799,540	20,628,136	3,147,096		23,775,232
pokane	21,604,603	3,287,967	24,892,570	2,019,949		26,912,519
Total	143,107,794	33,545,385	176,653,179	25,283,884	920,126	202,857,189

ABLE 35.—*Loans and discounts outstanding at the end of each month during 1938, by type of institution*

End of month	Financing institutions			Banks for coopera-tives	Coopera-tive asso-ciations	Total
	Production credit associa-tions	Other	Total			
January	$135,353,463	$39,263,291	$174,616,754	$29,346,350	$1,576,116	$205,539,220
February	144,451,842	38,852,043	183,303,885	28,932,302	1,502,331	213,738,518
March	158,868,933	39,525,911	198,394,844	27,268,109	1,419,664	227,082,617
April	169,050,102	40,649,929	209,700,031	26,848,419	793,295	237,341,745
May	175,520,485	41,311,633	216,832,118	26,626,492	654,604	244,113,214
June	180,180,679	42,894,181	223,074,860	27,807,113	18,978	250,900,951
July	179,159,386	42,582,349	221,741,735	20,128,312	118,303	241,988,350
August	176,432,590	42,983,755	219,416,345	20,841,207	118,303	240,375,855
September	167,213,101	40,807,915	208,021,016	22,724,313	256,303	231,001,632
October	150,573,578	36,120,630	186,694,208	24,052,544	744,387	211,491,139
November	143,868,505	34,536,936	178,405,441	22,680,811	851,130	201,937,382
December	143,107,794	33,545,385	176,653,179	25,283,884	920,126	202,857,189

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 36.—*Loans to and discounts for financing institutions outstanding, Dec. 31, 1938, by States*

District and State	Production credit associations	Other	Total
District 1.			
Maine	$1,055,023	$341,987	$1,397,010
New Hampshire	233,968		233,968
Vermont	1,121,785	203,031	1,324,816
Massachusetts	792,718		792,718
Rhode Island	532,591		532,591
Connecticut	1,317,459	51,950	1,369,409
New York	5,155,105	9,923	5,165,028
New Jersey	1,444,539	739	1,445,278
Total	11,653,188	607,630	12,260,818
District 2:			
Pennsylvania	2,508,430	1,758	2,510,188
Delaware	141,102		141,102
Maryland	1,115,701		1,115,701
Virginia	1,653,875	121,250	1,775,125
West Virginia	669,825	1,624	671,449
Puerto Rico	1,143,376	933,663	2,077,039
Total	7,232,309	1,058,295	8,290,604
District 3:			
North Carolina	857,901		857,901
South Carolina	736,832		736,832
Georgia	1,610,918		1,610,918
Florida	3,371,364	369,884	3,741,248
Total	6,577,015	369,884	6,946,899
District 4:			
Ohio	5,995,988	666,613	6,662,601
Indiana	5,787,948	525,185	6,313,133
Kentucky	2,667,765	10,544	2,678,309
Tennessee	2,733,922	17,584	2,751,506
Total	17,185,623	1,219,926	18,405,549
District 5:			
Alabama	1,080,774	177,602	1,258,376
Mississippi	1,039,651	591,244	1,630,895
Louisiana	1,381,574	454,989	1,836,563
Total	3,501,999	1,223,835	4,725,834
District 6:			
Illinois	7,347,110	1,005,194	8,352,304
Missouri	3,665,693	327,832	3,993,525
Arkansas	989,008	237,191	1,226,199
Total	12,001,811	1,570,217	13,572,028

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FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 36.—*Loans to and discounts for financing institutions outstanding, Dec. 31, 1938, by States*—Continued

District and State	Production credit associations	Other	Total
District 7:			
Michigan	$2,896,657	$71,762	$2,968,419
Wisconsin	5,787,806	1,403,239	7,191,045
Minnesota	5,581,345	1,530,761	7,112,106
North Dakota	860,506	1,433,839	2,294,345
Total	15,126,314	4,439,601	19,565,915
District 8:			
Iowa	3,886,095	314,760	4,200,855
South Dakota	2,637,641	82,695	2,720,336
Nebraska	3,429,041	396,207	3,825,248
Wyoming	1,634,361	800,770	2,435,131
Total	11,587,138	1,594,432	13,181,570
District 9:			
Kansas	2,612,227	248,960	2,861,187
Oklahoma	2,756,275	1,420,548	4,176,823
Colorado	3,443,042	734,466	4,177,508
New Mexico	2,352,712	219,691	2,572,403
Total	11,164,256	2,623,665	13,787,921
District 10: Texas	9,702,382	10,858,676	20,561,058
District 11:			
Arizona	1,775,447	12,143	1,787,590
Utah	2,136,176	2,777,287	4,913,463
Nevada	1,223,739	95,370	1,319,109
California	10,824,487	1,792,733	12,617,220
Total	15,959,849	4,677,533	20,637,382
District 12:			
Montana	6,673,715	429,345	7,103,060
Idaho	5,228,665	382,165	5,610,830
Washington	4,496,836	1,598,933	6,095,769
Oregon	5,016,694	891,248	5,907,942
Total	21,415,910	3,301,691	24,717,601
Grand total	143,107,794	33,545,385	176,653,179

NOTE.—The district totals do not agree in all cases with those shown in table 34, because the banks have reported outstanding loans and discounts for institutions whose operations extend into States outside their own district.

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 37.—*Debentures issued during 1934 to 1938, inclusive, by months, and outstanding at the end of each month during 1938*

Month	Issued during month[1]										Outstanding at end of month 1938
	1934		1935		1936		1937		1938		
	Face rate	Par amount	Face rate	Par amount	Face rate	Par amount	Face rate	Par amount	Face rate	Par amount	
	Percent		*Percent*		*Percent*		*Percent*		*Percent*		
January	2½	$27,900,000	1½	$36,550,000	1½	$37,250,000	1½	$29,850,000	1½	$23,600,000	$180,800,000
February	2½	8,900,000	1½	22,850,000	1½	14,980,000	1½	26,250,000	1½	34,350,000	188,200,000
March	2	24,815,000	1½	34,150,000	1½	22,050,000	1½	25,600,000	1½	31,750,000	198,650,000
April	2	45,000,000	1½	33,150,000	1½	21,000,000	1½	33,200,000	1½	28,050,000	206,900,000
May	2	32,375,000	1½	25,250,000	1½	10,220,000	1½	17,625,000	1½	34,950,000	212,400,000
June	2	27,500,000	1½	8,850,000	1½	13,050,000	1½	30,700,000	1	29,850,000	218,050,000
July	1½	35,000,000	1½	11,120,000	1½	23,150,000	1½	36,250,000	1	27,250,000	212,550,000
August	1½	14,200,000	1½	15,450,000	1½	11,200,000	1½	33,250,000	1	17,250,000	210,550,000
September	1½	12,900,000	1½	18,700,000	1½	22,990,000	1½	27,300,000	1	19,225,000	204,925,000
October	1½	30,050,000	1½	23,350,000	1½	22,050,000	1½	34,300,000	1	29,950,000	192,650,000
November	1½	9,615,000	1½	16,900,000	1½	23,770,000	1½	34,050,000	1	20,300,000	173,325,000
December	1½	18,395,000	1½	21,800,000	1½	24,850,000	1½	26,400,000	1	21,400,000	168,725,000
Total		286,650,000		268,120,000		246,560,000		354,775,000		317,925,000	

[1] Beginning in October 1935 and thereafter, only consolidated debentures have been issued; the last of the debentures issued by the individual banks were retired in September 1936.

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 38.—*Consolidated statement of condition, Dec. 31, 1938*

ASSETS			
Loans and discounts:			
Production credit associations		$143,107,793.86	
Other financing institutions	$33,545,385.33		
Less reserve	526,994.26	33,018,391.07	
Banks for cooperatives		25,283,883.57	
Cooperative associations		920,126.09	$202,330,194.59
Notes receivable		893,397.58	
Less reserve		368,320.36	525,077.22
Cash:			
General funds			8,800,111.00
Held as collateral			786,980.94
Deposited with Treasurer of U. S. for matured debentures (principal and interest)			20,225.00
U. S. Gov't obligations, direct and fully guaranteed (at cost or par, whichever is lower)			73,999,496.30
Accounts receivable			8,932.10
Accrued interest receivable:			
Loans and discounts:			
Production credit associations		1,069,677.41	
Other financing institutions		114,790.35	
Banks for cooperatives and cooperative associations		104,044.91	
Net		1,288,512.67	
Notes receivable	30,965.96		
Less reserve	180.83	30,785.13	
U. S. Government obligations, direct and fully guaranteed		179,143.19	1,498,440.99
Automobiles, furniture, fixtures, and equipment		333,450.04	
Less reserve		333,450.04	----------
Bank building [1]		8,713.84	
Less reserve		8,713.84	----------
Prepaid and deferred expense			577.20
Other assets		230,810.55	
Less reserve		171,688.71	59,121.84
Total assets			288,029,157.18
LIABILITIES			
Unmatured consolidated debentures outstanding			$168,725,000.00
Matured obligations:			
Debentures matured		$20,000.00	
Matured interest on debentures		225.00	20,225.00
Trust accounts			177,542.07
Accounts payable			11,902.60
Franchise tax payable [2]			760,140.81
Liability for cash collateral			786,980.94
Deferred proceeds, loans and discounts			37,648.69
Accrued interest payable (not due):			
Debentures			703,356.14
Interest collected, not earned			124,480.90
Unamortized premium on outstanding debentures			418,678.53
Other liabilities			67,876.23
Capital stock paid in		70,000,000.00	
Surplus paid in		30,000,000.00	
Reserve for contingencies		1,790,000.00	
Surplus earned		14,405,235.27	116,195,235.27
Total liabilities			288,029,157.18

[1] This represents the investment in banking quarters by the Federal Intermediate Credit Bank of Berkeley.

[2] This amount was paid to the Treasurer of the United States on Jan. 16, 1939.

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 39.—*Consolidated profit and loss statement for the year ended Dec. 31, 1938, and the year ended Dec. 31, 1937*

Item	Jan. 1 to Dec. 31, 1938		Jan. 1 to Dec. 31, 1937	
EARNINGS				
Interest:				
Loans and discounts	$4,526,529.77		$4,008,287.48	
U. S. Government obligations, direct and fully guaranteed	*1,858,144.86*		*1,895,976.67*	
Notes receivable	58,821.37		71,408.25	
Other interest earned	2,698.19		6,094.81	
Gross earnings		$6,446,194.19		$5,981,767.21
DEDUCTIONS FROM EARNINGS				
Interest on debentures (net)	1,132,503.03		1,135,109.61	
Other interest expense			1,015.37	
Operating expense	1,563,376.23		1,643,079.36	
Other charges to operations	226,077.49		101,616.65	
Total deductions from gross earnings		*2,921,956.75*		*2,880,820.99*
Net operating earnings		3,524,237.44		3,100,946.22
OTHER EARNINGS				
Discount on securities (amortized), and profit on securities sold	1,031,987.87		608,551.18	
Miscellaneous other additions	−13,653.41		10,639.15	
Total other earnings		1,018,334.46		619,190.33
OTHER DEDUCTIONS				
Premium written off on securities purchased	481,735.19		175,773.44	
Charge-offs (less recoveries)	168,733.18		343,857.47	
Unrealized interest on notes receivable, deferred			260,024.62	
Total other deductions		650,468.37		779,655.53
Net profit before adjustment of reserves		3,892,103.53		2,940,481.02
Adjustment of reserves (net)		+502,267.09		+1,976,203.05
Net profit after adjustment of reserves		4,394,370.62		4,916,684.07

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 40.—*Statements of condition, Dec. 31, 1938*

	Springfield		Baltimore		Columbia		Louisville	
ASSETS								
Loans and discounts:								
Production credit associations	$11,653,187.83		$7,232,309.12		$6,577,015.20		$17,185,622.58	
Other financing institutions	607,629.72		1,054,912.51		369,884.31		943,160.56	
Banks for cooperatives	3,118,792.68		3,848,127.20		1,747,250.00		1,544,500.00	
Cooperative associations	300,000.00	$15,679,610.23		$12,135,348.83		$8,694,149.51		$19,673,283.14
Notes receivable			151,022.89		2,000.00			
Less reserve			64,159.77	86,863.12		2,000.00		
Cash:								
General funds		726,250.50		758,838.73		682,212.37		536,633.90
Held as collateral		25,947.18				3,018.18		
U. S. Government obligations, direct and fully guaranteed (at cost or par, whichever is lower)		4,424,490.30		5,150,000.00		6,325,000.00		5,000,000.00
Accounts receivable		1,058.44		1,839.31		84.65		2.93
Accrued interest receivable:								
Loans and discounts:								
Production credit associations	69,414.81		36,348.72		121,601.55		83,217.65	
Other financing institutions	2,751.62		5,470.51		800.97		4,091.89	
Banks for cooperatives and cooperative associations	17,960.00		20,514.39		6,484.30		6,373.78	
Notes receivable			30,436.88		13.38			
Net accrued interest receivable on loans, discounts, and notes receivable	90,126.43		92,770.50		128,900.20		93,683.32	
U. S. Government obligations, direct and fully guaranteed	10,041.37	100,107.80	19,594.34	112,364.84	21,161.16	150,061.36	9,744.31	103,427.63

Automobiles, furniture, fixtures, and equipment	21,618.71		19,259.26		43,214.33		18,958 94	
Less reserve	21,618.71		19,259.26		43,214.33		18,958 94	
Other assets	3,162.90		58,444.92		10,675.41		6,000.00	
Less reserve		3,162.90	53,870.92	4,574.00	6,675.41	4,000.00		6,000.00
Total assets		20,960,693.35		18,249,828.83		15,860,526.07		25,319,347.60
LIABILITIES								
Unmatured consolidated debentures outstanding		13,850,000.00		11,200,000.00		5,400,000.00		17,775,000.00
Unpresented drafts: Due to other Federal intermediate credit banks				75,000.00				
Notes payable:								
Other Federal intermediate credit banks						150,000.00		
Trust accounts		34,137.42		7,076.95		200.25		
Accounts payable		934.10		1,409.47				
Franchise tax payable		51,612.13		49,345.49		569.33		66,432 20
Liability for cash collateral		25,947.18				3,018.18		
Deferred proceeds, loans and discounts								35,317.10
Accrued interest payable (not due):								
Debentures	55,093.06		43,539.13		5,525.02		55,212.52	
Other		55,093.06		43,539.13	15.00	5,540.02		55,212.52
Interest collected, not earned		99.57		1,954.97				
Unamortized premium on outstanding debentures		28,706.91		21,899 58		20,557.70		44,145.92
Other liabilities		9,188.33		10,932.38		3,932.59		5,513.08
Capital stock paid in		5,000,000.00		5,000,000.00		5,000,000.00		5,000,000 00
Surplus paid in		400,000.00		800,000.00		5,200,000.00		800,000.00
Surplus earned		1,489,974.65		1,033,670.88		1,708 00		1,507,726.18
Reserve for contingencies		15,000.00		5,000.00		75,000.00		30,000.00
Total liabilities		20,960,693.35		18,249,828.83		15,860,526.07		25,319,347.60

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 40.—*Statements of condition, Dec. 31, 1938*—Continued

	New Orleans		St Louis		St. Paul		Omaha	
ASSETS								
Loans and discounts:								
Production credit associations	$3,501,999.44		$12,001,810.57		$15,126,313.57		$11,529,697.46	
Other financing institutions	1,187,602.04		2,191,415.55		4,336,648.94		2,163,584.41	
Banks for cooperatives	2,726,500.00		1,673,242.51		692,500.00		807,834.16	
Cooperative associations			620,126.09					
Loans to other Federal intermediate credit banks	550,000.00							
Total loans and discounts	7,966,101.48	$7,966,101.48	16,486,594.72	$16,486,594.72	20,155,462.51		11,501,116.03	$14,501,116.03
Less reserve (other financing institutions)					200,000.00	$19,955,462.51		
Notes receivable			196,634.57	196,634.57	27,068.75		174,016.63	124,016.63
Less reserve					27,068.75		50,000.00	
Cash:								
General funds		633,360.96		456,414.01		450,740.14		519,746.61
Held as collateral		372.09		42,250.00		94,428.27		106,122.54
U. S. Government obligations, direct and fully guaranteed (at cost or par, whichever is lower)		3,650,000.00		4,140,000.00		9,270,000.00		7,045,000.00
Accounts receivable				1,069.72		296.84		4,719.77
Accrued interest receivable:								
Loans and discounts:								
Production credit associations	79,734.28		20,102.02		152,585.85		106,498.31	
Other financing institutions	13,560.01		2,679.24		7,133.68		20,795.74	
Banks for cooperatives and cooperative associations	10,309.43		8,203.47		2,120.77		4,086.62	
Notes receivable			334.56					
Loans: Other Federal intermediate credit banks	25.00							

Net accrued interest receivable on loans, discounts, and notes receivable	103,628.72		31,319.29		161,840.30		131,380.67	
U. S. Government obligations, direct and fully guaranteed	14,200.35	117,919.07	11,067.29	42,386.58	23,414.00	185,254.30	13,861.36	145,242.03
Automobiles, furniture, fixtures, and equipment	22,696.52		29,668.77		29,890.74		24,982.59	
Less reserve	22,696.52		29,668.77		29,890.74		24,982.59	
Prepaid and deferred expense				140.00				
Other assets	4,971.05		5,500.00		3,926.51		6,321.08	
Less reserve	2,971.05	2,000.00		5,500.00	1,126.51	2,800.00	321.08	6,000.00
Total assets		12,369,753.60		21,370,989.60		29,958,982.06		22,451,963.61
LIABILITIES								
Unmatured consolidated debentures outstanding		5,400,000.00		14,400,000.00		16,500,000.00		11,000,000.00
Trust accounts		$1,004.63		$8,417.74		$2,139.82		$297.42
Accounts payable		4,708.18		1,662.74		2,361.08		
Franchise tax payable		62,200.13		51,086.13		103,229.13		96,673.34
Liability for cash collateral		372.09		42,250.00		94,428.27		106,122.54
Accrued interest payable (not due): Debentures		4,066.67		49,847.21		75,207.24		34,646.45
Interest collected, not earned				6,809.23		30,024.16		
Unamortized premium on outstanding debentures		10,344.38		37,270.96		42,412.88		33,618.42
Other liabilities		5,867.32		4,036.28		6,064.47		3,567.15
Capital stock paid in		5,000,000.00		5,000,000.00		7,000,000.00		6,000,000.00
Surplus paid in		1,200,000.00		500,000.00		3,700,000.00		2,800,000.00
Surplus earned		670,190.20		1,264,609.31		1,607,025.01		2,161,057.48
Reserve for contingencies		5,000.00		5,000.00		790,000.00		215,000.00
Total liabilities		12,369,753.60		21,370,989.60		29,958,982.06		22,451,963.61

FEDERAL INTERMEDIATE CREDIT BANKS

TABLE 40.—*Statements of condition, Dec. 31, 1938*—Continued

•	Wichita		*Houston*		Berkeley		Spokane	
ASSETS								
Loans and discounts:								
Production credit associations	$11, 164, 256. 14		$9, 702, 382. 29		$15, 828, 596. 32		$21, 604, 603. 34	
Other financing *institutions*	1, 797, 476. 11		10, 805, 564. 65		4, 799, 540. 04		3, 287, 966. 49	
Banks for cooperatives	2, 477, 842 39		1, 480, 250. 00		3, 147, 096. 04		2, 019, 948. 59	
Total loans and discounts	15, 439, 574. 64		21, 988, 196. 94		23, 775, 232 40		26, 912, 518. 42	
Less reserve (*other financing institutions*)		$15, 439, 574. 64		$21, 988, 196 94	250, 000. 00	$23, 525, 232 40	76, 994. 26	$26, 835, 524 16
Notes receivable	248, 970. 11		21, 443. 91				72, 240. 72	
Less reserve	142, 546 41	106, 423. 70	12, 304. 71	9, 139. 20			72, 240. 72	
Cash:								
General funds		634, 544. 46		572, 773 23		2, 252, 395. 27		726, 206. 82
Held as collateral				37, 210. 06		185, 282 78		292, 349. 24
U. S. Government obligations, direct and fully guaranteed (at cost or par, whichever is lower)		7, 125, 000. 00		5, 270, 000. 00		9, 500, 000 00		7, 100, 000 00
Accounts receivable		104. 00		221 43		391. 74		747. 58
Accrued interest receivable:								
Loans and discounts:								
Production credit associations	36, 707. 04		55, 615. 99		114, 178 52		193, 672. 67	
Other financing *institutions*	3, 045. 48		2 26		25, 236 23		29, 222. 72	
Banks for cooperatives and cooperative associations	6, 195. 71		6, 444. 94		9, 260. 72		6, 090. 78	
Notes receivable			. 31				180. 83	
Total	45, 948. 23		62, 063. 50		148, 675. 47		229, 167. 00	
Less reserve							180. 83	
Net accrued interest receivable on loans, discounts, and notes receivable	45, 948. 23		62, 063. 50		148, 675. 47		228, 986. 17	
U. S. Government obligations, direct and *fully* guaranteed	17, 237. 49	63, 185. 72	10, 705. 36	72, 768. 86	11, 799. 34	160, 474. 81	16, 226. 82	245, 212. 99

Automobiles, furniture, fixtures, and equipment	32,853.40		28,848.28		27,332.04		34,126.46	
Less reserve	32,853.40		28,848.28		27,332.04		34,126.46	
Bank building					[1] 8,713.84			
Less reserve					8,713.84			
Prepaid and deferred expense						237.20		200.00
Other assets	57,885.40		14,863.82		5,584.94		53,474.52	
Less reserve	51,635.40	6,250.00	11,863.82	3,000.00		5,584.94	43,224.52	10,250.00
Total assets		23,375,082.52		27,953,310.32		35,629,509.14		35,210,484.79
LIABILITIES								
Unmatured consolidated debentures *outstanding*		11,500,000.00		17,450,000.00		21,650,000.00		22,600,000.00
Unpresented drafts: Due to other Federal intermediate credit banks		25,000.00				25,000.00		25,000.00
Notes payable:								
Other Federal intermediate credit banks		400,000.00						
Trust accounts		73,733.09		7,127.50		41,170.99		2,236.26
Accounts payable				917.03				
Franchise tax payable		92,811.79		93,662.75		15,169.26		77,349.13
Liability for cash collateral				37,210.66		185,282.78		292,340.24
Deferred proceeds, loans and discounts								1,350.78
Accrued interest payable (not due):								
Debentures	49,119.43		103,363.69		131,170.78		96,474.94	
Other	10.00	49,129.43		103,363.69		131,170.78		96,474.94
Interest collected, not earned				79,592.97				
Unamortized premium *on outstanding* debentures		30,493.84		44,508.97		50,941.86		53,779.11
Other liabilities		5,337.55		5,624.44		5,355.70		4,060.67
Capital stock paid in		6,000,000.00		7,000,000.00		7,000,000.00		7,000,000.00
Surplus paid in		3,600,000.00		800,000.00		6,400,000.00		3,800,000.00
Surplus earned		1,518,576.82		2,291,304.31		45,507.77		807,684.66
Reserve for contingencies		80,000.00		40,000.00		80,000.00		450,000.00
Total liabilities		23,375,082.52		27,953,310.32		35,629,509.14		35,210,484.79

[1] This represents the investment in banking quarters by the Federal Intermediate Credit Bank of Berkeley.

BANKS FOR COOPERATIVES

TABLE 41.—*Applications received and approved during 1938 and pending Dec. 31, 1938, and commitments and advances made during 1938, by banks*

Bank	Applications received	Applications approved		Applications pending Dec. 31, 1938		Net commitments made	Advances made
		Number	Amount	Number	Amount		
Springfield	$3,948,311	114	$3,320,700	2	$7,000	$2,975,526	$3,223,854
Baltimore	5,151,747	63	5,712,038	5	29,000	7,636,747	6,773,349
Columbia	4,269,850	48	3,349,850	5	275,500	2,534,210	2,491,634
Louisville	7,223,757	116	6,862,057	11	153,500	7,374,797	6,156,580
New Orleans	9,550,208	82	9,292,506	3	75,000	7,844,935	9,920,764
St. Louis	1,919,700	123	1,975,700			1,711,117	1,746,661
St. Paul	5,909,153	214	5,113,123	22	556,300	3,823,991	3,590,819
Omaha	5,317,855	56	4,748,520	4	23,300	3,901,101	1,102,767
Wichita	7,383,555	65	6,718,015	13	143,850	4,780,078	4,624,083
Houston	9,571,614	165	7,025,672	14	171,500	10,160,225	8,380,103
Berkeley	20,002,236	138	18,503,236	6	1,326,000	13,244,496	11,674,568
Spokane	8,621,045	78	7,790,065	8	197,000	7,007,792	6,742,168
Total	88,869,031	1,262	80,411,484	93	2,067,950	72,995,015	66,427,350
Central Bank	69,149,799	14	64,899,799			23,022,451	36,950,897
Eliminations: Participation loans						8,413,419	8,432,717
Grand total	158,018,830	1,276	145,311,283	93	2,967,950	87,604,047	94,945,530

BANKS FOR COOPERATIVES

TABLE 42.—*Commitments outstanding, Dec. 31, 1938, by banks and by type of commitment*

Bank	Commodity	Operating	Facility	Total
Springfield	$31,161	$607,681	$38,700	$677,542
Baltimore	262,549	1,672,664		1,935,213
Columbia	316,200	270,500	73,830	660,530
Louisville	725,609	3,011,381	13,482	3,750,472
New Orleans	1,665,000	1,743,701	30,593	3,439,294
St. Louis	14,787	436,171	52,636	503,594
St. Paul	409,223	838,511	89,516	1,337,250
Omaha	2,463,901	634,446	140,332	3,238,679
Wichita	797,014	977,458	37,000	1,811,472
Houston	1,880,000	427,231	100,976	2,408,207
Berkeley	826,181	2,946,792	124,792	3,897,765
Spokane	402,300	620,707	9,500	1,032,507
Total	9,793,925	14,187,243	711,357	24,692,525
Central Bank	22,774,518	6,075,900		28,850,418
Eliminations: Participation loans	2,158,788	1,593,600		3,752,388
Grand total	30,409,655	18,669,543	711,357	49,790,555

BANKS FOR COOPERATIVES

TABLE 43.—*Loans outstanding, Dec. 31, 1938, by banks and by type of loan*

Bank	Commodity		Operating		Facility		Total	
	Number [1]	Amount	Number [1]	Amount	Number [1]	Amount	Number [1]	Amount
Springfield	8	$178,642	70	$2,859,571	44	$1,465,768	82	$4,503,981
Baltimore	6	652,655	43	2,250,362	36	1,227,410	61	4,130,427
Columbia	1	58,800	40	1,716,860	26	782,074	46	2,557,734
Louisville	6	477,417	135	2,196,804	63	386,296	146	3,060,517
New Orleans	1	1,835,000	30	2,688,014	44	2,535,532	59	7,058,546
St. Louis	1	158,743	107	1,005,088	102	755,606	164	1,919,437
St. Paul	10	368,810	222	2,217,425	216	2,177,814	343	4,764,049
Omaha	8	240,092	179	1,431,803	102	642,685	210	2,314,580
Wichita	5	1,258,971	76	387,773	100	2,537,809	132	4,184,553
Houston	1	70,000	56	1,513,531	134	1,843,353	149	3,426,884
Berkeley	15	1,769,449	88	5,291,833	87	4,487,619	123	11,548,901
Spokane	11	1,517,650	54	2,794,926	91	3,893,868	108	8,206,444
Total	73	8,586,229	1,100	26,353,990	1,045	22,735,834	[2] 1,623	57,676,053
Central Bank	6	10,525,890	11	11,451,968	6	1,859,831	14	32,837,689
Eliminations Participation loans	2	1,002,501	3	1,630,000	1	384,900	6	3,017,401
Grand total	77	27,109,618	1,108	36,175,958	1,050	24,210,765	[2] 1,631	87,496,341

[1] Represents number of cooperative associations having loans outstanding.
[2] The total number of loans outstanding is less than the sum of the 3 types of loans, owing to the fact that some associations have more than 1 type of loan outstanding

TABLE 44.—*Applications received, net commitments made, advances and loans outstanding for specified periods*

Period	Applications received	Net commitments made	Advances	Loans outstanding at end of period
Organization through Dec. 31, 1934	$133,149,065	$79,229,991	$67,515,391	$27,850,593
1935	187,987,258	93,540,710	66,347,752	50,013,329
1936	142,332,556	91,764,303	81,204,454	60,647,241
1937	170,225,602	105,339,129	97,584,498	87,633,166
1938	158,018,830	87,604,047	94,945,530	87,496,341
1938:				
January	12,176,990	6,113,502	5,561,642	86,856,025
February	4,985,165	3,725,038	4,302,222	87,112,811
March	14,453,139	9,496,111	5,751,092	82,322,848
April	10,327,329	[1] −8,730,647	5,143,804	79,925,628
May	26,958,137	22,280,702	4,752,769	78,416,630
June	9,839,592	4,807,611	8,392,916	81,190,495
July	13,124,831	11,595,188	10,335,130	75,263,691
August	40,526,625	4,863,763	7,822,277	75,960,924
September	5,827,732	14,280,175	12,292,652	82,544,379
October	10,335,001	7,237,504	11,904,426	86,931,091
November	3,807,042	7,676,372	8,250,368	86,221,331
December	5,057,247	4,258,728	10,436,232	87,496,341

[1] Reflects cancelations and adjustments amounting to $14,036,861.

BANKS FOR COOPERATIVES

TABLE 45.—*Advances made in 1938, by commodities, and loans outstanding, Dec. 31, 1938, by type of loan and by commodities*

Commodity	Advances	Type of loan outstanding							
		Commodity		Operating		Facility		Total	
		Number [1]	Amount	Number [1]	Amount	Number [1]	Amount	Number [1]	Amount
Farm products:									
Fruits and vegetables	$22,699,141	28	$5,812,429	155	$9,132,667	145	$5,414,097	205	$20,359,193
Wine and brandy	3,465,003	9	778,410	13	2,147,137	12	1,504,837	13	4,430,384
Dairy	8,711,231	12	1,209,087	113	3,781,642	179	4,166,651	205	9,156,380
Poultry	1,500,920			19	1,268,895	18	453,899	29	1,722,794
Grain	10,243,679	15	3,246,190	251	2,274,241	218	2,169,716	379	7,690,147
Tobacco	3,260,176	1	74,070	3	165,767	2	109,950	6	349,787
Sugar	3,240,809			8	1,131,110	8	2,436,645	8	3,567,755
Nuts	352,900			3	447,331	1	364	4	447,695
Wool and mohair	10,883,174	3	7,337,637	1	33,726	3	12,749	5	7,384,112
Cotton	17,458,992	2	8,060,000	48	7,017,831	172	1,624,629	182	16,702,460
Livestock	3,181,921			15	678,752	3	238,488	16	917,240
Other	1,666,358	6	544,359	47	632,646	34	184,405	57	1,361,410
Total farm products	86,664,304	76	27,062,182	676	28,711,745	795	18,315,430	1,109	74,089,357
Farm supply:									
General	4,744,763	1	47,436	176	5,905,682	85	1,038,144	183	6,091,262
Petroleum products	1,450,691			194	949,880	104	404,286	229	1,354,166
Total farm supply	6,195,454	1	47,436	370	6,855,562	189	1,442,430	412	8,345,428
Farm business services:									
Irrigation	1,406,825			16	106,394	32	3,616,149	40	3,722,543
Insurance	395,090			26	398,462			26	398,462
Warehousing	190,000			5	18,000	8	376,343	8	394,343
Farmers' markets	11,500			3	72,922	6	334,807	6	407,729
Other	82,357			12	12,873	20	125,606	30	138,479
Total farm business services	2,085,772			62	608,651	66	4,452,905	110	5,061,556
Grand total	94,945,530	77	27,109,618	1,108	36,175,958	1,050	24,210,765	[2] 1,631	87,496,341

[1] Represents number of cooperative associations having loans outstanding.

[2] The total number of loans outstanding is less than the sum of the 3 types of loans, owing to the fact that some associations have more than 1 type of loan outstanding.

DISTRICT BANKS FOR COOPERATIVES

TABLE 46.—*Loans outstanding, Dec. 31, 1938, by States*

District and State	Loans outstanding	
	Number[1]	Amount[2]
istrict 1		
Maine	13	$657,810
New Hampshire	4	26,325
Vermont	7	1,029,042
Massachusetts	9	1,164,816
Rhode Island	1	61,000
Connecticut	6	148,329
New York	32	1,280,266
New Jersey	11	238,895
Total	83	4,606,483
District 2.		
Pennsylvania	24	651,419
Delaware	----	----
Maryland	11	1,032,031
Virginia	22	2,126,020
West Virginia	2	18,005
Puerto Rico	2	302,952
Total	61	4,130,427
District 3.		
North Carolina	6	255,949
South Carolina	1	3,900
Georgia	13	391,688
Florida	26	1,906,197
Total	46	2,557,734
District 4:		
Ohio	66	1,223,918
Indiana	*67*	*1,597,974*
Kentucky	8	142,054
Tennessee	5	96,571
Total	146	3,060,517
District 5:		
Alabama	16	239,852
Mississippi	30	3,179,840
Louisiana	*13*	*3,638,854*
Total	59	7,058,546
District 6:		
Illinois	106	$830,608
Missouri	55	700,429
Arkansas	3	388,400
Total	164	1,919,437
District 7:		
Michigan	41	1,556,217
Wisconsin	93	1,339,011
Minnesota	111	1,334,409
North Dakota	97	431,910
Total	*342*	*4,661,547*
District 8:		
Iowa	100	1,253,323
South Dakota	42	318,340
Nebraska	57	592,652
Wyoming	9	144,132
Total	208	2,308,447
District 9:		
Kansas	47	887,380
Oklahoma	*51*	*1,313,757*
Colorado	27	1,922,753
New Mexico	6	34,839
Total	131	4,158,729
District 10: Texas	150	3,452,708
District 11:		
Arizona	4	371,755
Utah	11	477,519
Nevada	2	30,506
California	106	10,669,121
Total	123	11,548,901
District 12.		
Montana	11	91,199
Idaho	21	620,009
Washington	60	3,857,808
Oregon	18	3,643,561
Total	110	8,212,577
Grand total	1,623	57,676,053

[1] Represents nnmber of cooperative associations having lnans outstanding.
[2] *Includes participations by the Central Bank for Cooperatives.*

NOTE.—*Totals by States for some districts do not agree with corresponding district totals on table 43* because the banks have reported outstanding loans for associations whose operations extend into States outsidetheir own districts.

BANKS FOR COOPERATIVES

TABLE 47.—*Statements of condition, Dec. 31, 1938*

	Consolidated statement, district banks		Central Bank		Consolidated statement including Central Bank [1]	
ASSETS						
Loans:						
Commodity	$8,586,228.65		$19,525,890.05		$27,109,617.41	
Operating capital	26,353,990.16		11,451,968.00		36,175,958.16	
Facility	22,735,833.74		1,859,831.39		24,210,765.13	
Total	57,670,052.55		32,837,689.44		87,496,340 70	
Less participation certificates outstanding.						
Operating capital	1,030,000.00		600,000.00			
Facility	384,900.00					
Total	1,414,900 00		600,000 00			
Net loans outstanding	56,261,152.55		32 237,689.44		87,496,340 70	
Less reserve	1,866,315.81	$54,394,836 74	1,000,000 00	$31,237,689 44	2,866,315 81	$81,630,024 89
Loan funds in escrow pending closing		13,300.00				13,300.00
Cash:						
On hand and in banks	4,636,469.13				4,638,335 62	
On deposit with Treasurer of United States	498,931 86	5,135,400.99	4,230,361.12	4,230,361 12	4,729,295.98	9,367,631.60
U. S. Government obligations, direct and fully guaranteed:						
Par value	50,084,150 00		37,448,000.00		87,532,150.00	
Unamortized premium (net)	580,387.92	50,664,537.92	693,737.75	38,141,737 75	1,274,125 67	88,806,275.67
Consolidated Federal intermediate credit bank debentures	4,100,000.00		1,900,000 00		6,000,000 00	
Unamortized premium	13,038.50	4,113,038.50	3,680.30	1,903,680.30	16,718 80	6,016,718.80

See footnotes at end of table.

TABLE 47.—*Statements of condition, Dec. 31, 1938* —Continued

	Consolidated statement, district banks		Central Bank		Consolidated statement including Central Bank	
ASSETS—Continued						
Loans in process of liquidation	$216,949.58				$216,949.58	
Less reserve	157,687.50	$89,262.08			157,687.50	$89,262.08
Assets acquired in liquidation of loans	78,794.28				78,794.28	
Less reserve	61,764.75	17,029.53			61,764.75	17,029.53
Accounts receivable		22,826.95		$3,526.20		25,483.25
Notes receivable, sales contracts, etc	65,496.98				65,496.98	
Less reserve	6,500.00	58,996.98			6,500.00	58,996.98
Accrued interest receivable:						
Loans to cooperative associations	548,065.56		$150,240.78		695,817.68	
Less reserve for delinquent interest on loans	47,890.60		294.23		48,184.83	
Net	500,174.96		149,946.55		647,632.85	
U. S. Government obligations, direct and fully guaranteed	157,813.96		159,520.44		317,334.40	
Consolidated Federal intermediate credit bank debentures	6,778.88		4,386.04		11,164.92	
Other	1,802.89	666,570.69	44.17	313,897.20	1,847.06	977,979.23
Automobiles, furniture, fixtures, and equipment (net)		31,179.51		1.00		31,180.51
Bank building [2]		6,846.59				6,846.59
Prepaid and deferred expense		1,052.25				1,052.25
Other assets		34,774.19		39,035.28		71,493.12
Total assets		115,249,652.32		75,869,931.29		190,113,274.50

LIABILITIES						
Loans rediscounted with Federal intermediate credit banks		7,410,144.71		17,873,738.86		25,283,883.57
Liability on rediscounted commodity loans of other banks for cooperatives		102,501.29		900,000.00		
Liability for cash collateral		58,931.03				58,934.03
Accounts payable		10,374.16		910.60		10,414.86
Trust accounts		156,010.27				156,010.27
Accrued interest payable on loans rediscounted with Federal intermediate credit banks		18,800.83		82,442.46		101,243.20
Other liabilities		10,914.72		4,347.32		12,323.52
Capital stock and guaranty fund:						
Capital stock:						
United States Government	99,000,000.00		50,000,000.00		149,000,000.00	
Cooperatives	2,934,600.00		681,400.00		3,616,000.00	
Guaranty fund: Cooperatives	112,000.00	102,046,600.00		50,681,400.00	112,000.00	152,728,000.00
Surplus earned		5,435,372.91		6,327,092.05		11,762,464.96
Total liabilities		115,249,652.92		75,869,931.29		190,113,274.50

[1] This statement reflects adjustments necessary to eliminate items which are included in both the "Consolidated statement, district banks" and the "Central Bank" statement.

[2] This represents the investment in banking quarters by the Berkeley Bank for Cooperatives.

NOTE.—Total commitments outstanding, Dec. 31, 1938, amounted to $49,790,555.18.

FEDERAL FARM MORTGAGE CORPORATION

TABLE 48.—*Land Bank Commissioner loans closed and outstanding, by years, 1933–38*

Year	Loans closed		Loans outstanding Dec. 31	
	Number	Amount	Number	Amount
1933	[1] 44,039	[1] $70,812,112	43,994	$70,738,461
1934	306,354	553,136,316	347,299	616,825,108
1935	91,004	196,395,349	431,205	794,726,418
1936	38,929	77,257,795	455,082	836,778,547
1937	21,873	40,020,173	455,291	812,749,284
1938	17,453	29,395,145	448,080	752,850,796
Total	519,652	967,016,890		

[1] May 12, 1933, through Dec. 31, 1933.

TABLE 49.—*Land Bank Commissioner loans closed during 1938 and outstanding, Dec. 31, 1938, by States*

District and State	Loans closed during 1938		Loans outstanding Dec. 31, 1938	
	Number	Amount	Number	Amount
District 1:				
Maine	74	$131,800	2,342	$4,150,595
New Hampshire	54	79,700	516	792,402
Vermont	95	124,200	1,167	1,548,080
Massachusetts	177	308,900	2,219	4,056,293
Rhode Island	27	59,900	317	628,352
Connecticut	169	338,500	1,596	2,976,746
New York	571	926,700	7,826	13,458,920
New Jersey	211	426,300	2,396	4,743,407
Total	1,378	2,396,000	18,379	32,354,795
District 2:				
Pennsylvania	242	287,700	5,463	7,756,934
Delaware	17	21,600	276	450,865
Maryland	64	121,300	1,981	3,729,532
Virginia	169	242,100	4,959	7,282,736
West Virginia	87	105,000	2,607	2,903,105
Puerto Rico	72	242,900	566	1,458,830
Total	651	1,020,600	15,852	23,582,002
District 3:				
North Carolina	546	610,590	12,903	15,642,060
South Carolina	258	292,605	9,204	11,051,70[illegible]
Georgia	714	769,525	14,426	15,852,19[illegible]
Florida	115	196,750	5,273	8,011,37[illegible]
Total	1,633	1,869,470	41,606	50,557,43[illegible]
District 4:				
Ohio	565	898,400	13,602	21,065,44[illegible]
Indiana	665	1,080,100	15,816	22,823,04[illegible]
Kentucky	293	471,100	10,829	15,131,44[illegible]
Tennessee	466	576,800	10,848	13,113,56[illegible]
Total	1,989	3,026,400	51,095	72,133,49[illegible]

FEDERAL FARM MORTGAGE CORPORATION

ABLE 49.—*Land Bank Commissioner loans closed during 1938 and outstanding, Dec. 31, 1938, by States*—Continued

District and State	Loans closed during 1938		Loans outstanding Dec. 31, 1938	
	Number	Amount	Number	Amount
District 5:				
Alabama	1,028	$777,700	10,686	$8,709,571
Mississippi	647	534,875	10,876	8,236,826
Louisiana	244	340,750	4,680	4,811,925
Total	1,919	1,653,325	26,242	21,758,322
District 6:				
Illinois	922	2,309,800	16,769	40,617,350
Missouri	468	659,500	13,815	20,489,304
Arkansas	267	396,500	6,707	7,026,150
Total	1,657	3,365,800	37,291	68,132,804
District 7:				
Michigan	223	301,700	18,850	24,097,085
Wisconsin	266	466,600	23,251	46,075,652
Minnesota	382	689,400	24,009	46,297,473
North Dakota			18,272	31,949,389
Total	871	1,457,700	84,382	148,419,599
District 8:				
Iowa	791	2,132,200	21,605	56,909,457
South Dakota	178	393,600	11,978	22,158,191
Nebraska	727	1,553,400	16,454	35,855,175
Wyoming	94	264,300	2,908	4,561,161
Total	1,790	4,343,500	52,945	119,483,984
District 9:				
Kansas	749	1,093,600	21,119	40,882,656
Oklahoma	475	597,600	13,020	17,044,122
Colorado	275	436,600	6,331	10,296,937
New Mexico	140	183,800	1,955	2,990,517
Total	1,639	2,311,600	42,425	71,214,232
District 10: Texas	1,635	2,654,750	31,585	49,828,666
District 11:				
Arizona	116	272,900	1,102	2,241,804
Utah	68	137,800	3,500	5,808,756
Nevada	15	53,000	284	789,637
California	1,019	2,687,000	19,920	47,043,341
Total	1,218	3,150,700	24,806	55,883,538
District 12:				
Montana	204	433,350	5,459	11,023,983
Idaho	286	488,100	5,122	9,462,036
Washington	291	644,700	5,521	9,202,690
Oregon	292	579,150	5,170	9,813,221
Total	1,073	2,145,300	21,272	39,501,930
Grand total	17,453	29,395,145	448,080	752,850,796

FEDERAL FARM MORTGAGE CORPORATION

TABLE 50.—*First and second-mortgage Land Bank Commissioner loans closed during 1938, and second mortgage loans as a percent of the total, by districts*

District	First mortgage loans		Second mortgage loans		Total first and second mortgage loans		Second mortgage loans as a percent of total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Springfield	368	$677,000	1,010	$1,719,000	1,378	$2,396,000	73.3	71.7
Baltimore	172	307,000	479	713,600	651	1,020,600	73.6	69.9
Columbia	997	1,061,765	636	807,705	1,633	1,869,470	38.9	43.2
Louisville	673	1,092,200	1,316	1,934,200	1,989	3,026,400	66.2	63.9
New Orleans	939	683,500	980	969,825	1,919	1,653,325	51.1	58.7
St. Louis	537	868,300	1,120	2,497,500	1,657	3,365,800	67.6	74.2
St. Paul	220	377,000	651	1,080,700	871	1,457,700	74.7	74.1
Omaha	470	1,172,500	1,320	3,171,000	1,790	4,343,500	73.7	73.0
Wichita	486	668,000	1,153	1,643,600	1,639	2,311,600	70.3	71.1
Houston	660	1,020,750	975	1,634,000	1,635	2,654,750	59.6	61.6
Berkeley	324	797,600	894	2,353,100	1,218	3,150,700	73.4	74.7
Spokane	338	584,500	735	1,560,800	1,073	2,145,300	68.5	72.8
Total	6,184	9,310,115	11,269	20,085,030	17,453	29,395,145	64.6	68.3

TABLE 51.—*Percentage of Land Bank Commissioner loan proceeds used to refinance indebtedness from Jan. 1, 1938, through Dec. 31, 1938, classified according to type of indebtedness and class of creditor, by States* [1]

District and State	First and junior mortgages held by—				Other indebtedness owed to—			Total
	Life insurance companies	Commercial banks	Joint stock land banks	Others	Commerical banks	Tax authorities	Other creditors	
District 1:								
Maine		16.4		30.4	2.2	1.4	18.5	68.
New Hampshire		16.0		33.2		2.7	13.6	65.
Vermont		16.0		38.6	1.3	1.9	16.6	74
Massachusetts		12.6		32.4	1.1	4.8	22.1	73
Rhode Island		2.3		36.5		1.1	18.2	58
Connecticut		13.4		34.8	.5	1.7	19.4	69
New York		6.4	0.6	34.1	1.4	1.0	20.5	64
New Jersey		5.1		41.2	.9	2.8	13.1	63
Total		9.2	.2	35.4	1.1	2.0	18.6	6[illegible]
District 2:								
Pennsylvania		6.5	.9	40.4	9.0	.9	9.6	6[illegible]
Delaware		12.4		43.8	.6		4.1	6[illegible]
Maryland	4.1	11.8	1.8	26.2	13.6	1.3	8.7	6[illegible]
Virginia	1.2	9.3	1.7	28.6	18.2	.6	12.3	7
West Virginia		10.3	2.7	30.0	13.3	.1	15.6	7
Total [2]	1.0	8.9	1.5	33.2	12.9	.7	11.0	6

[1] For same information on Federal land bank loans, see table 7. For percentage of loan proceeds u for all purposes, including refinancing, see table 4.

[2] Excluding Puerto Rico.

FEDERAL FARM MORTGAGE CORPORATION

TABLE 51.—*Percentage of Land Bank Commissioner loan proceeds used to refinance indebtedness from Jan. 1, 1938, through Dec. 31, 1938, classified according to type of indebtedness and class of creditor, by States*—Continued.

District and State	First and junior mortgages held by—				Other indebtedness owed to—			Total
	Life insurance companies	Commercial banks	Joint stock land banks	Others	Commerical banks	Tax authorities	*Other creditors*	
District 3:								
North Carolina	2.9	11.3	5.5	37.3	2.4	2.1	12.0	73.5
South Carolina	3.0	11.1	3.9	33.0	3.9	3.3	10.2	68.4
Georgia	7.4	14.9	3.0	33.6	3.1	2.5	7.9	72.4
Florida		10.7		50.7	8.2	.9	7.5	78.0
Total	4.4	12.7	3.7	36.5	3.5	2.3	9.6	72.7
District 4:								
Ohio	4.3	14.0	2.6	23.2	7.0	.4	8.4	59.9
Indiana	5.4	12.5	2.7	22.6	8.7	.4	6.7	59.0
Kentucky	1.9	10.8	.3	33.3	11.3	.2	6.3	64.1
Tennessee	7.2	16.8		37.8	6.7	1.3	9.2	79.0
Total	4.9	13.5	1.8	27.3	8.2	.6	7.6	63.9
District 5:								
Alabama	2.3	12.0	2.7	46.5	3.2	.1	8.3	75.1
Mississippi	4.7	21.3		42.0	1.9	.6	9.2	79.7
Louisiana	6.8	11.2		46.5	5.7	.4	7.9	78.5
Total	4.0	14.8	1.3	45.1	3.3	.3	8.5	77.3
District 6:								
Illinois	10.2	7.5	2.2	29.2	3.8	.2	6.7	59.8
Missouri	15.9	11.6	1.2	41.2	5.3	.9	6.3	82.4
Arkansas	11.2	16.3	5.5	36.6	3.6	3.0	6.6	82.8
Total	11.4	9.3	2.3	32.5	4.1	.7	6.6	66.9
District 7:								
Michigan	.2	11.2	1.0	30.8	1.8	.2	10.9	56.1
Wisconsin	1.9	6.8		42.8	1.4	.5	12.0	65.4
Minnesota	5.7	3.6		27.2	1.7	.2	10.5	48.9
North Dakota								
Total	3.3	6.2	.2	33.0	1.6	.3	11.1	55.7
District 8:								
Iowa	15.6	7.1	1.7	25.9	4.1	.4	9.3	64.1
South Dakota	10.4	5.3	.4	23.7	11.1	4.5	21.0	76.4
Nebraska	8.4	9.5	.3	40.7	10.8	1.9	11.7	83.3
Wyoming	1.2	11.7	7.9	34.6	6.4	.8	14.5	77.1
Total	11.6	8.1	1.5	31.5	7.3	1.3	11.6	72.9
District 9:								
Kansas	14.6	10.0	1.4	26.9	10.8	1.0	6.6	71.3
Oklahoma	20.2	8.2	.5	28.1	4.6	.8	5.8	68.2
Colorado	5.2	9.4	4.7	45.0	5.7	1.4	5.8	77.2
New Mexico	3.8	7.8		40.4	6.0	.6	13.6	72.2
Total	13.4	9.3	1.6	31.7	7.9	1.0	6.8	71.7

FEDERAL FARM MORTGAGE CORPORATION

TABLE 51.—*Percentage of Land Bank Commissioner loan proceeds used to refinance indebted from Jan. 1, 1938, through Dec. 31, 1938, classified according to type of indebtedness class of creditor, by States*—Continued

District and State	First and junior mortgages held by—				Other indebtedness owed to—			To
	Life insurance companies	Commercial banks	Joint stock land banks	Others	Commercial banks	Tax authorities	Other creditors	
District 10: Texas	10.6	7.2	4.5	30.3	3.8	1.6	4.8	
District 11:								
Arizona	4.4	6.9	7.6	45.9	2.2	1.6	5.1	
Utah	.6	15.4		43.1	17.6	.5	10.0	
Nevada	13.4	26.5		26.6			3.7	
California	2.8	22.2	.1	46.2	3.9	1.6	4.2	
Total	3.1	20.6	.7	45.8	4.3	1.5	4.5	
District 12:								
Montana	1.8	13.5		49.6	5.5	5.2	10.1	
Idaho	9.1	14.8	.2	44.3	4.0	2.6	8.4	
Washington	13.3	13.6	3.7	37.6	5.9	1.5	6.3	
Oregon	5.2	10.8	6.1	46.5	6.4	2.4	7.3	
Total	7.8	13.1	2.8	44.0	5.5	2.8	7.8	
Grand total[1]	*7.2*	*11.2*	*1.9*	*35.0*	*5.2*	*1.3*	*8.8*	

[1] Excluding Puerto Rico.

TABLE 52.—*Disposition of interest installments on Land Bank Commissioner mortgage l during 1938, by districts*

District	Interest installments delinquent on Jan. 1, 1938	Interest installments matured during 1938	Total amount collectible	Disposition			Perc of to deli quen Dec. 193
				Percent of total collected	Percent of total extended or reamortized	Percent of total transferred to loans called for foreclosure or charged off	
Springfield	$243,417	$1,287,336	$1,530,753	69.1	(1)	4.3	
Baltimore	64,656	993,777	1,058,433	85.5	1.2	2.3	
Columbia	261,496	2,093,526	2,355,022	70.9	6.6	2.2	
Louisville	206,014	3,030,571	3,236,585	89.5	.2	1.6	
New Orleans	296,917	889,886	1,186,803	57.4	5.5	2.1	
St. Louis	331,871	2,827,195	3,159,066	83.3	1.1	2.5	
St. Paul	4,181,967	6,378,036	10,560,003	40.7	32.0	8.8	
Omaha	2,695,672	4,967,685	7,663,357	48.4	27.3	5.5	
Wichita	1,377,943	2,980,970	4,358,913	51.0	8.9	8.3	
Houston	405,655	2,112,862	2,518,517	73.7	11.3	2.7	
Berkeley	320,385	2,284,246	2,604,631	73.0	1.7	2.5	
Spokane	612,340	1,614,087	2,226,427	59.5	7.1	2.8	
Total	*10,998,333*	*31,460,177*	*42,458,510*	*59.2*	*15.6*	*5.2*	

(1) Less than 0.1 percent.

FEDERAL FARM MORTGAGE CORPORATION

TABLE 53.—*Disposition of principal installments on Land Bank Commissioner mortgage loans during 1938, by districts*

District	Principal installments delinquent on Jan. 1, 1938	Principal installments matured during 1938	Total amount collectible	Disposition			Percent of total delinquent on Dec. 31, 1938
				Percent of total collected	Percent of total extended, deferred or reamortized	Percent of total transferred to loans called for foreclosure or charged off	
Springfield	$124,389	$1,601,495	$1,725,884	60.4	.8	2.5	36.3
Baltimore	116,703	1,833,451	1,950,154	82.6	1.4	2.4	13.6
Columbia	43,130	3,240,219	3,283,349	51.3	18.9	.6	29.2
Louisville	328,707	5,315,211	5,643,918	87.0	.8	1.5	10.7
New Orleans	601,595	2,118,194	2,719,789	53.7	7.1	1.9	37.3
St. Louis	277,516	4,143,278	4,420,794	79.3	2.4	1.7	16.6
St. Paul	1,631,976	10,028,167	11,660,143	47.6	20.3	4.7	27.4
Omaha	1,477,885	8,650,037	10,127,922	43.1	31.9	3.1	21.9
Wichita	457,819	5,102,447	5,560,266	48.9	6.7	4.0	40.4
Houston	416,353	4,273,160	4,689,513	72.5	11.1	1.9	14.5
Berkeley	408,400	4,637,114	5,045,514	71.1	2.4	1.8	24.7
Spokane	582,040	3,446,030	4,028,070	60.8	5.4	1.6	32.2
Total	6,466,513	54,388,803	60,855,316	59.6	12.9	2.7	24.8

TABLE 54.—*Classification of mortgage loans outstanding, Dec. 31, 1938, by States*

District and State	Number of loans outstanding	Loans classified as not delinquent				Classified as delinquent (loans with matured installments unpaid and loans with delinquent extensions)	
		With all matured installments paid in full		With all matured installments extended, with no delinquency in extensions			
		Number	Percent	Number	Percent	Number	Percent
District 1:							
Maine	2,342	1,123	48.0			1,219	52.0
New Hampshire	516	432	83.7			84	16.3
Vermont	1,167	875	75.0			292	25.0
Massachusetts	2,219	1,752	79.0			467	21.0
Rhode Island	317	226	71.3			91	28.7
Connecticut	1,596	1,231	77.1			365	22.9
New York	7,826	6,231	79.6			1,595	20.4
New Jersey	2,396	1,830	76.4			566	23.6
Total	18,379	13,700	74.5			4,679	25.5
District 2:							
Pennsylvania	5,463	4,806	88.0			657	12.0
Delaware	276	228	82.6			48	17.4
Maryland	1,981	1,615	81.5			366	18.5
Virginia	4,959	4,210	84.9			749	15.1
West Virginia	2,607	2,275	87.3			332	12.7
Puerto Rico	566	519	91.7	26	4.6	21	3.7
Total	15,852	13,653	86.1	26	.2	2,173	13.7

FEDERAL FARM MORTGAGE CORPORATION

TABLE 54.—*Classification of mortgage loans outstanding, Dec. 31, 1938, by States*—Continued

District and State	Number of loans outstanding	Loans classified as not delinquent: With all matured installments paid in full		Loans classified as not delinquent: With all matured installments extended, with no delinquency in extensions		Classified as delinquent (loans with matured installments unpaid and loans with delinquent extensions)	
		Number	Percent	Number	Percent	Number	Percent
District 3:							
North Carolina	12, 903	10, 443	80. 9	167	1. 3	2, 293	17. 8
South Carolina	9, 204	5, 842	63. 5	352	3. 8	3, 010	32. 7
Georgia	14, 426	10, 701	74. 2	569	3. 9	3, 156	21. 9
Florida	5, 273	4, 684	88. 8	272	5. 2	317	6. 0
Total	41, 806	31, 670	75. 8	1, 360	3. 2	8, 776	21. 0
District 4:							
Ohio	13, 602	11, 908	87. 5	13	. 1	1, 681	12. 4
Indiana	15, 816	14, 546	91. 9	32	. 2	1, 244	7. 9
Kentucky	10, 829	9, 356	86. 4	26	. 2	1, 447	13. 4
Tennessee	10, 848	9, 710	89. 5	28	. 3	1, 110	10. 2
Total	51, 095	45, 514	89. 1	99	. 2	5, 482	10. 7
District 5:							
Alabama	10, 686	6, 726	62. 9	86	. 8	3, 874	36. 3
Mississippi	10, 876	6, 540	60. 1	207	1. 9	4, 129	38. 0
Louisiana	4, 680	2, 988	63. 8	41	. 9	1, 651	35. 3
Total	26, 242	16, 254	61. 9	334	1. 3	9, 654	36. 8
District 6:							
Illinois	16, 769	14, 564	86. 9	22	. 1	2, 183	13. 0
Missouri	13, 815	10, 578	76. 6	29	. 2	3, 208	23. 2
Arkansas	6, 707	5, 842	87. 1	3	(1)	862	12. 9
Total	37, 291	30, 984	83. 1	54	. 1	6, 253	16. 8
District 7:							
Michigan	18, 850	15, 297	81. 1	150	. 8	3, 403	18. 1
Wisconsin	23, 251	13, 850	59. 6	237	1. 0	9, 164	39. 4
Minnesota	24, 009	16, 365	68. 2	75	. 3	7, 569	31. 5
North Dakota	18, 272	2, 727	14. 9	1, 957	10. 7	13, 588	74. 4
Total	84, 382	48, 239	57. 2	2, 419	2. 8	33, 724	40. 0
District 8:							
Iowa	21, 605	17, 117	79. 2	403	1. 9	4, 085	18. 9
South Dakota	11, 978	4, 503	37. 6	1, 236	10. 3	6, 239	52. 1
Nebraska	16, 454	7, 098	43. 1	240	1. 5	9, 116	55. 4
Wyoming	2, 908	1, 787	61. 5	29	1. 0	1, 092	37.
Total	52, 945	30, 505	57. 6	1, 908	3. 6	20, 532	38.
District 9:							
Kansas	21, 119	10, 848	51. 4	31	. 1	10, 240	48.
Oklahoma	13, 020	8, 979	69. 0	64	. 5	3, 977	30.
Colorado	6, 331	4, 130	65. 3	2	(1)	2, 199	34.
New Mexico	1, 955	1, 506	77. 0	4	. 2	445	22.
Total	42, 425	25, 463	60. 0	101	. 2	16, 861	39.
District 10: Texas	31, 585	25, 812	81. 7	374	1. 2	5, 399	17.
District 11:							
Arizona	1, 102	865	78. 5			237	21.
Utah	3, 500	2, 387	68. 2			1, 113	31.
Nevada	284	220	77. 5			64	22.
California	19, 920	15, 140	76. 0			4, 780	24.
Total	24, 806	18, 612	75. 0			6, 194	25.

1 Less than 0.1 percent.

FEDERAL FARM MORTGAGE CORPORATION

TABLE 54.—*Classification of mortgage loans outstanding, Dec. 31, 1938, by States*—Continued

District and State	Number of loans outstanding	Loans classified as not delinquent				Classified as delinquent (loans with matured installments unpaid and loans with delinquent extensions)	
		With all matured installments paid in full		With all matured installments extended, with no delinquency in extensions			
		Number	Percent	Number	Percent	Number	Percent
District 12:							
Montana	5,459	2,503	45.8	703	12.9	2,253	41.3
Idaho	5,122	3,484	68.0			1,638	32.0
Washington	5,521	4,123	74.7	2	(1)	1,396	25.3
Oregon	5,170	4,017	77.7			1,153	22.3
Total	21,272	14,127	66.4	705	3.3	6,440	30.3
Grand total	448,080	314,533	70.2	7,380	1.6	126,167	28.2

[1] Less than 0.1 percent.

TABLE 55.—*Interest reduction granted borrowers, for which reimbursement is obtained from the Secretary of the Treasury*

District	1938	Total, 1937–38	District	1938	Total, 1937–38
Springfield	$324,316	$443,646	Omaha	$1,256,718	$1,819,353
Baltimore	249,187	358,432	Wichita	751,819	1,054,962
Columbia	528,360	970,942	Houston	533,241	674,258
Louisville	774,745	1,093,794	Berkeley	577,457	784,926
New Orleans	226,067	456,235	Spokane	405,792	571,127
St. Louis	712,752	1,019,436			
St. Paul	1,647,825	2,358,203	Total	7,988,306	11,585,314

TABLE 56.—*Real estate, sheriffs' certificates, etc., acquired and disposed of during 1938, by districts*

District	Acquisitions		Disposals				Consideration as a percent of investment
			Number		Investment [1]	Consideration [1]	
	Number	Investment [1]	Whole	Part			
Springfield	182	$830,468	135	14	$672,156	$484,672	72.1
Baltimore	182	735,139	143	13	582,056	469,832	80.7
Columbia	388	1,082,228	384	26	997,576	792,401	79.4
Louisville	246	754,376	195	28	512,049	474,922	92.7
New Orleans	292	469,644	304	30	473,688	360,535	76.1
St. Louis	321	970,480	311	21	813,409	602,035	74.0
St. Paul	2,028	7,960,043	611	36	3,146,442	2,080,995	66.1
Omaha	1,470	7,698,673	750	54	4,586,573	3,334,206	72.7
Wichita	877	3,553,205	376	14	1,691,736	1,149,398	67.9
Houston	259	971,909	134	5	453,854	400,164	88.2
Berkeley	132	635,998	100	12	473,533	401,648	84.8
Spokane	261	917,263	56	12	226,743	194,903	86.0
Total	6,638	26,579,426	3,500	265	14,629,815	10,745,801	73.5

[1] Includes amount of prior liens.

FEDERAL FARM MORTGAGE CORPORATION

TABLE 57.—*Real estate, sheriffs' certificates, etc., held, Dec. 31, 1938, by districts*

District	Held not subject to prior liens				Held subject to prior liens						Total			
	Farms owned outright		Sheriffs' certificates, etc.		Farms			Sheriffs' certificates, etc.			Farms		Sheriffs' certificates, etc.	
	Number	Investment	Number	Investment	Number	Investment [1]	Amount of prior liens	Number	Investment [1]	Amount of prior liens	Investment [1]	Carrying value [1]	Investment	Carrying value [1]
Springfield	75	$240,036			63	$439,052	$180,916				$679,088	$353,576		
Baltimore	99	278,991			57	406,467	195,469				685,458	409,042		
Columbia	127	207,479			78	426,485	182,092				633,964	346,775		
Louisville	90	191,531			67	445,989	215,435				637,520	386,974		
New Orleans	123	163,075	33	$29,942	72	260,776	98,998	22	$55,623	$24,725	423,831	229,483	$85,565	$49,428
St. Louis	199	544,831	24	80,551	54	446,454	235,719	20	190,737	92,873	991,285	703,321	271,288	166,366
St. Paul	985	2,434,827	1,007	2,514,397	304	2,292,039	1,084,424	606	4,041,238	2,056,126	4,726,866	2,621,852	6,555,635	3,648,288
Omaha	855	2,434,871	392	1,004,330	460	3,904,396	2,203,178	297	2,294,302	1,298,800	6,339,267	3,969,378	3,298,632	1,968,620
Wichita	461	1,009,208	321	897,512	199	1,474,088	689,076	314	2,375,116	1,153,389	2,483,296	1,376,009	3,272,628	1,845,757
Houston	185	464,949			114	769,225	417,424				1,234,174	798,418		
Berkeley	78	262,070	10	23,977	30	322,468	156,205	7	48,396	21,170	584,538	357,134	72,373	41,708
Spokane	186	457,801	107	279,408	84	553,266	239,891	42	291,815	126,765	1,011,067	554,807	571,223	338,582
Total	3,461	8,689,669	1,894	4,830,117	1,582	11,740,685	5,899,427	1,308	9,297,227	4,773,918	20,430,354	12,106,769	14,127,344	8,058,749

[1] Includes amount of prior liens

FEDERAL FARM MORTGAGE CORPORATION

TABLE 58.—*Real estate, sheriffs' certificates, etc., held Dec. 31, 1938, by States*

District and State	Farms owned outright[1]	Sheriffs' certificates, etc.	Total
District 1:			
Maine	42		42
New Hampshire	5		5
Vermont	6		6
Massachusetts	41		41
Rhode Island			
Connecticut	1		1
New York	32		32
New Jersey	11		11
Total	138		138
District 2:			
Pennsylvania	71		71
Delaware	3		3
Maryland	20		20
Virginia	42		42
West Virginia	20		20
Puerto Rico			
Total	156		156
District 3:			
North Carolina	21		21
South Carolina	64		64
Georgia	72		72
Florida	48		48
Total	205		205
District 4:			
Ohio	28		28
Indiana	31		31
Kentucky	66		66
Tennessee	32		32
Total	157		157
District 5:			
Alabama	11	55	66
Mississippi	172		172
Louisiana	12		12
Total	195	55	250
District 6:			
Illinois	41	39	80
Missouri	182		182
Arkansas	30	5	35
Total	253	44	297
District 7:			
Michigan	160	214	374
Wisconsin	231		231
Minnesota	463	650	1,113
North Dakota	435	749	1,184
Total	1,289	1,613	2,902
District 8:			
Iowa	108	69	177
South Dakota	899	585	1,484
Nebraska	281	1	282
Wyoming	27	34	61
Total	1,315	689	2,004
District 9:			
Kansas	288	574	862
Oklahoma	80		80
Colorado	284	59	343
New Mexico	8	2	10
Total	660	635	1,295
District 10: Texas	299		299
District 11:			
Arizona	1		1
Utah	37	17	54
Nevada	1		1
California	67		67
Total	106	17	123
District 12:			
Montana	157	66	223
Idaho	46	27	73
Washington	38	37	75
Oregon	29	19	48
Total	270	149	419
Grand total	5,043	3,202	8,245

[1] Includes farms held subject to prior liens.

FEDERAL FARM MORTGAGE CORPORATION

TABLE 59.—*Federal Farm Mortgage Corporation bonds issued and retired from organizatio Dec. 31, 1938, and outstanding Dec. 31, 1938*

Date of issue	Term (years)	Rate (percent)	Maturity	Amount issued	Amount retired	Amount (standin Dec. 31, 1
Mar. 1, 1934	1	2	Mar. 1, 1935	$76,900,000	$76,900,000	----------
Mar. 15, 1934	10-30	3¼	Mar. 15, 1964	106,231,200	8,202,600	$98,028
May 15, 1934	10-15	3	May 15, 1949	983,659,800	143,574,200	840,085
Jan. 15, 1935	7-12	3	Jan. 15, 1947	237,565,400	1,089,200	236,476
Feb. 15, 1935	2½	1¼	Aug. 15, 1937	22,325,000	22,325,000	----------
Mar. 1, 1935	7-12	2¾	Mar. 1, 1947	104,755,600	1,608,100	103,147
Sept. 3, 1935	4	1½	Sept. 3, 1939	100,122,000	----------	100,122
Aug. 16, 1937	(1)	⅝	Feb. 16, 1938	10,000,000	10,000,000	----------
Nov. 1, 1937	2	1¼	Nov. 1, 1939	10,000,000	100,000	9,900
Total				1,651,559,000	263,799,100	1,387,759

[1] 6 months.

TABLE 60.—*Statement of condition, Dec. 31, 1938*

ASSETS

Mortgage loans.			
First mortgage loans	$275,952,771.69		
Less matured principal unpaid	5,593,346.20	$270,359,425.49	
Second mortgage loans	476,898,023.97		
Less matured principal unpaid	9,491,864.71		
		467,406,159.26	$737,765,584
Extensions:			
Unmatured portion	2,999,303.62		
Matured unpaid portion	8,406,020.42	11,405,324.04	
Less:			
Partial payments, extensions	391,521.31		
Reserve	11,013,802.73	11,405,324.04	----------
Delinquent installments:			
Principal portion	15,085,210.91		
Interest portion	8,473,377.65	23,558,588.56	
Less:			
Partial payments, delinquent installments	3,100,745.28		
Reserve	5,372,632.37	8,473,377.65	
			15,085,21(
Accounts receivable			1,489,717
Purchase money mortgages and contracts:			
Purchase money first mortgages		1,248,140.24	
Purchase money second mortgages		398,189.40	
Real estate sales contracts		3,212,822.09	4,859,151
Cash:			
Deposited: With the Treasurer of the United States		46,172,295.38	
Undeposited receipts: With district disbursing officers		89,131.14	46,261,426
Deposits with the Treasurer of the United States for matured bond interest			1,206,094
Due from the Secretary of the Treasury: Interest reduction			2,185,220
Consolidated Federal farm loan bonds (par)			761,129,840
Consolidated Federal intermediate credit bank debentures (par $500,000)			500,176
Notes receivable: Federal land banks			20,200,000

FEDERAL FARM MORTGAGE CORPORATION

TABLE 60.—*Statement of condition, Dec. 31, 1938*—Continued

ASSETS—Continued

Accrued interest receivable (not due):			
Mortgage loans		$11,016,285.74	
Consolidated Federal farm loan bonds		6,828,820.16	
Consolidated Federal intermediate credit bank debentures		222.22	
Notes receivable: Federal land banks		215,208.33	$18,060,536.45
Real estate owned:			
Not subject to prior liens		8,689,669.13	
Subject to prior liens	11,740,685.02		
Less unmatured prior liens not assumed	5,899,427.06	5,841,257.96	
Total		14,530,927.09	
Less reserve		8,323,585.04	6,207,342.05
Sheriffs' certificates, etc.:			
Not subject to prior liens		4,830,116.82	
Subject to prior liens	9,297,227.33		
Less unmatured prior liens not assumed	4,773,918.11	4,523,309.22	
Total		9,353,426.04	
Less reserve		6,068,595.57	3,284,830.47
Loans called for foreclosure, judgments, etc. (investment)		18,137,239.82	
Less reserve		11,601,001.07	6,536,238.75
Chattels owned (investment)		9,200.89	
Less reserve		9,200.89	
Furniture, fixtures, and equipment (central office)			1.00
Unamortized discount on bonds sold			494,280.16
Other assets			89,265.84
Total assets			1,631,354,916.98

LIABILITIES

Federal Farm Mortgage Corporation bonds:		
Outstanding	$1,387,759,900.00	
Less on hand		$1,387,759,900.00
Matured interest on Federal Farm Mortgage Corporation bonds		1,206,094.13
Accrued interest on Federal Farm Mortgage Corporation bonds (not due)		8,896,415.22
Deferred proceeds of loans		477,984.21
Accounts payable		991,526.84
Matured items on prior liens not assumed		949,583.33
Trust accounts		1,564,392.20
Other liabilities		431,508.02
Unamortized premium on bonds sold		1,052,765.46
Reserve for title losses		266,483.58
Capital stock		200,000,000.00
Reserve for losses on mortgage loans		27,758,263.99
Total liabilities		1,631,354,916.98

FEDERAL FARM MORTGAGE CORPORATION

TABLE 61.—*Profit and loss statements for the years ended Dec. 31, 1938 and Dec. 31, 19*

	Jan. 1 to Dec. 31, 1938		Jan. 1 to Dec. 31, 193	
EARNINGS				
Interest:				
Mortgage loans	$38,948,057.67		$41,380,648.70	
Consolidated Federal farm loan bonds	29,385,580.35		29,467,206.95	
Notes receivable and Federal intermediate credit bank debentures	770,836.12		511,659.71	
Purchase money mortgages, contracts, and other	453,890.15	$69,558,364.29	89,791.83	$71,449,3
Other income:				
Loan fees	580,854.01		623,171.97	
Miscellaneous	1,104.04	581,958.05	915.48	624.0
Gross earnings		70,140,322.34		72,073,3
DEDUCTIONS FROM EARNINGS				
Interest on bonds	40,475,772.86		40,809,721.28	
Other interest expense	18,618.20		5,333.40	
Operating expense	8,938,431.44		8,197,582.49	
Total deductions from gross earnings		49,432,822.50		49,012,6
Net operating earnings		20,707,499.84		23,060,7
OTHER EARNINGS				
Premium and discount on securities (amortized)		198,630.22		263,22
OTHER DEDUCTIONS				
Mortgage loan and real estate transactions:				
Net loss on real estate and chattels	3,869,768.28		1,289,690.40	
Mortgage loans charged off	3,785,503.83		1,772,115.30	
Interest charged off on mortgage loans	483,017.40		208,398.66	
Purchase money mortgages charged off	597.19			
Accounts and notes receivable charged off	15,421.26		6,295.41	
Total	8,154,307.96		3,276,499.77	
Premium and discount on securities (amortized)	1,612,037.25	9,766,345.21	279,190.77	3,555,69
Net profit before adjustment of valuation reserves		11,139,784.85		19,768,28
Adjustment of reserves (net)		16,339,095.16		9,870,46
Net profit after adjustment of reserves transferred to reserve for losses on mortgage loans [1]		−5,199,310.31		9,897,82

[1] The Board of Directors of the Federal Farm Mortgage Corporation has determined that the entire earnings of the Corporation after adjustment of reserves shall be appropriated to a "Reserve for losse mortgage loans" until the balance in the reserve account equals 10 percent of the unpaid balance of sec mortgage loans and 2½ percent of the unpaid balance of first mortgage loans. During the period from date of organization through Dec. 31, 1938, net earnings of the Corporation amounted to $27,758,263.90, a which has been transferred to this reserve. On the basis of loans outstanding as of Dec. 31, 1938, the t reserve to be created, as earnings permit, would amount to approximately $54,588,600.

EMERGENCY CROP AND FEED LOANS

TABLE 62.—*Loans made, 1921–36, 1937, and 1938, and balances outstanding, Dec. 31, 1938, by States*

District and State	Loans made						Balance outstanding Dec. 31, 1938					
	1921–36		1937		1938		Amount			Percent of loans made		
	Number	Amount	Number	Amount	Number	Amount	1921–36 loans	1937 loans	1938 loans	1921–36 loans	1937 loans	1938 loans
District 1:												
Maine	6,549	$1,646,295	919	$246,210	706	$188,715	$343,986	$76,175	$136,394	20.9	30.9	72.3
New Hampshire	586	61,985	129	14,765	134	12,955	12,621	3,886	6,096	20.4	26.3	47.1
Vermont	828	72,238	234	27,700	219	25,605	17,027	5,005	12,198	23.6	18.1	47.6
Massachusetts	568	97,158	103	20,300	111	22,850	21,448	5,058	11,064	22.1	24.9	48.4
Rhode Island	1	160					160			100.0		
Connecticut	385	74,270	56	12,590	86	20,045	8,706	737	12,887	11.7	5.9	64.3
New York	3,933	574,480	752	124,000	692	117,270	92,190	20,967	34,581	16.0	16.9	29.5
New Jersey	1,195	209,303	147	32,540	140	32,255	27,773	5,715	11,255	13.3	17.6	34.9
Total	14,045	2,735,889	2,340	478,105	2,088	419,695	523,911	117,543	224,476	19.1	24.6	53.5
District 2:												
Pennsylvania	8,522	992,569	1,704	237,945	1,559	229,220	299,992	81,700	147,290	30.2	34.3	64.3
Delaware	875	115,202	139	15,570	130	13,890	42,591	5,129	9,598	37.0	32.9	69.1
Maryland	4,845	587,562	889	116,890	748	104,545	214,526	41,544	64,218	36.5	35.5	61.4
Virginia	81,415	7,128,763	8,419	712,835	8,468	718,800	1,558,586	100,791	209,059	21.9	14.1	29.1
West Virginia	10,880	845,306	883	55,090	522	29,150	367,631	15,407	12,955	43.5	28.0	44.4
Puerto Rico	5,215	941,078	2,974	668,590	2,489	375,740	36,490	131,557	351,381	3.9	19.7	93.5
Total	111,752	10,610,480	15,008	1,806,920	13,916	1,471,345	2,519,816	376,128	794,501	23.7	20.8	54.0
District 3:												
North Carolina	198,919	18,672,831	16,728	1,449,625	14,299	1,176,210	1,240,754	108,332	158,374	6.6	7.5	13.5
South Carolina	204,005	21,207,830	17,812	1,905,700	16,260	1,683,600	1,708,951	221,287	202,411	8.1	11.6	12.0
Georgia	240,736	23,765,005	18,086	1,919,475	16,278	1,614,295	1,929,605	214,056	230,388	8.1	11.2	14.3
Florida	25,006	2,772,713	1,504	187,515	1,176	156,030	1,146,544	60,867	135,711	41.4	32.5	87.0
Total	668,666	66,418,379	54,130	5,462,315	48,013	4,630,135	6,025,854	604,542	726,884	9.1	11.1	15.7

EMERGENCY CROP AND FEED LOANS

TABLE 62.—*Loans made, 1921–36, 1937, and 1938, and balances outstanding, Dec. 31, 1938, by States*—Continued

District and State	Loans made						Balance outstanding Dec. 31, 1938					
	1921-36		1937		1938		Amount			Percent of loans made		
	Number	Amount	Number	Amount	Number	Amount	1921-36 loans	1937 loans	1938 loans	1921-36 loans	1937 loans	1938 loans
District 4:												
Ohio	14, 824	$1, 553, 263	1, 008	$80, 010	918	$79, 610	$312, 933	$8, 753	$42, 513	20. 1	10. 8	53. 4
Indiana	15, 035	1, 658, 884	635	53, 545	390	37, 905	370, 784	4, 879	18, 435	22. 4	9. 1	48. 6
Kentucky	74, 708	4, 741, 959	4, 437	223, 235	3, 206	167, 175	1, 113, 253	20, 007	112, 643	23. 5	9. 0	67. 4
Tennessee	99, 689	7. 177, 273	7, 596	449, 880	5, 950	341, 400	875, 685	22, 011	70, 479	12 2	4. 9	20. 6
Total	204, 256	15, 131, 169	13, 676	807, 570	10, 464	626, 090	2, 672, 655	55, 650	244, 070	17. 7	6. 9	39. 0
District 5:												
Alabama	119, 875	10, 497, 592	4, 472	311, 615	4, 127	281, 715	1, 536, 936	19, 425	27, 466	14. 6	6. 2	9. 7
Mississippi	186, 645	15, 640, 851	10, 405	576, 200	9, 578	520, 100	1, 382, 299	26, 265	47, 360	8. 8	4. 6	9. 1
Louisiana	141, 852	11, 419, 332	11, 465	758, 340	10, 147	657, 670	856, 896	39, 664	68, 817	7. 5	5. 2	10. 5
Total	448, 372	37, 557, 775	26, 342	1, 646, 155	23, 852	1, 459, 485	3, 776, 131	85, 354	143, 643	10. 1	5. 2	9. 8
District 6:												
Illinois	10, 261	1, 099, 113	1, 250	133, 080	510	60, 530	205, 846	11, 291	24, 884	18. 7	8. 5	41. 1
Missouri	51, 509	5, 250, 887	5, 371	441, 835	1, 869	177, 610	1, 363, 826	72, 440	63, 551	26. 0	16. 4	35. 8
Arkansas	257, 187	21, 591, 864	13, 764	1, 082, 105	10, 362	829, 970	2, 611, 999	94, 612	63, 979	12. 1	8. 7	7. 7
Total	318, 957	27, 941, 864	20, 385	1, 657, 020	12, 731	1, 068, 110	4, 181, 671	178, 343	152, 394	15. 0	10. 8	14. 3
District 7:												
Michigan	25, 731	2, 201, 622	1, 206	111, 360	718	69, 025	580, 791	29, 887	34, 131	26. 4	26. 8	49. 4
Wisconsin	34, 196	2, 358, 085	854	81, 025	275	21, 985	986, 549	17, 443	12, 228	41 8	21. 5	48. 9
Minnesota	48, 082	5, 479, 786	5, 035	610, 155	1, 481	153, 595	2, 547, 649	109, 062	43, 556	46. 5	17. 9	28. 4
North Dakota	175, 853	33, 419, 112	26, 857	5, 525, 545	13, 740	2, 332, 655	26, 042, 998	3, 859, 328	1, 809, 799	77. 9	69. 8	77. 6
	[illegible]	43, 458, 805	33, 952	6, 328, 085	16, 214	2, 580, 260	30, 157, 987	4, 015, 720	1, 899, 714	69. 4	63. 5	73. 6

District 8:												
Iowa	5, 361	722, 878	2, 458	333, 755	289	33, 295	129, 479	8, 688	12, 691	17. 9	2. 6	38. 1
South Dakota	102, 780	20, 999, 215	12, 911	2, 626, 365	5, 504	877, 200	13, 570, 128	1, 969, 890	666, 096	64. 6	72. 7	75. 9
Nebraska	31, 404	4, 989, 518	7, 715	1, 136, 465	4, 254	552, 995	2, 099, 494	481, 985	348, 132	42. 1	42. 4	63. 0
Wyoming	9, 694	1, 603, 943	1, 001	181, 925	696	127, 255	696, 231	53, 218	65, 212	43. 4	29. 3	51. 2
Total	149, 239	28, 315, 554	24, 085	4, 278, 510	10, 723	1, 590, 745	16, 495, 332	2, 453, 781	1, 092, 131	58. 3	57. 4	68. 7
District 9:												
Kansas	58, 579	10, 212, 737	10, 008	1, 637, 285	2, 531	339, 710	5, 903, 380	656, 540	323, 110	57. 9	40. 1	95. 1
Oklahoma	64, 446	5, 813, 226	5, 325	601, 385	1, 203	112, 300	1, 952, 771	201, 847	76, 355	33. 6	33. 0	68. 0
Colorado	30, 312	4, 599, 939	2, 432	396, 205	979	142, 955	2, 349, 522	228, 982	88, 365	51. 1	57. 8	61. 8
New Mexico	27, 389	3, 814, 860	2, 336	351, 275	943	158, 665	1, 729, 387	172, 226	121, 049	45. 3	49. 0	76. 3
Total	180, 726	24, 440, 762	20, 101	2, 986, 150	5, 656	753, 630	11, 935, 060	1, 259, 495	608, 879	48. 8	42. 2	80. 8
District 10: Texas	250, 149	25, 606, 153	28, 269	4, 041, 810	19, 109	2, 511, 820	6, 076, 914	793, 984	1, 078, 432	23. 8	19. 6	42. 9
District 11:												
Arizona	2, 377	424, 015	225	43, 090	295	61, 285	87, 073	7, 345	39, 813	26. 5	17. 0	65. 0
Utah	11, 006	1, 158, 674	976	116, 225	860	109, 390	177, 912	31, 808	55, 591	15. 4	27. 4	50. 8
Nevada	430	64, 861	15	2, 380	15	2, 350	6, 011	84	1, 524	9. 3	3. 5	64. 9
California	3, 138	536, 441	1, 256	280, 890	1, 479	337, 780	54, 635	51, 833	171, 043	10. 2	18. 5	50. 6
Hawaii	105	19, 997	65	19, 230	35	11, 535	973	6, 358	10, 507	4. 9	33. 1	91. 1
Total	17, 146	2, 203, 988	2, 537	461, 815	2, 684	522, 340	326, 604	97, 428	278, 478	14. 8	21. 1	53. 3
District 12:												
Montana	79, 425	14, 425, 541	9, 739	2, 072, 155	6, 758	1, 411, 270	9, 690, 632	1, 550, 869	1, 033, 964	67. 2	74. 8	73. 3
Idaho	15, 724	2, 396, 515	833	144, 815	644	109, 525	275, 414	27, 486	52, 904	11. 5	19. 0	48. 4
Washington	10, 553	2, 419, 664	916	238, 335	1, 269	353, 845	593, 402	66, 471	104, 170	24. 5	27. 9	29. 4
Oregon	7, 071	950, 804	581	93, 520	469	74, 170	225, 239	22, 221	36, 984	23. 7	23. 8	49. 9
Total	112, 773	20, 192, 524	12, 069	2, 548, 825	9, 140	1, 948, 810	10, 784, 687	1, 667, 047	1, 228, 121	53. 4	65. 4	63. 0
Total, all districts	2, 759, 943	304, 513, 142	252, 894	32, 503, 280	174, 590	19, 582, 465	95, 476, 622	11, 705, 015	8, 471, 722	31. 4	36. 0	43. 3
Agricultural credits and adjustments	961	1, 356, 701					473, 408			34. 9		
Grand total	2, 760, 904	305, 869, 843	252, 894	32, 503, 280	174, 590	19, 582, 465	95, 950, 030	11, 705, 015	8, 471, 722	31. 4	36. 0	43. 3

DROUGHT RELIEF LOANS

TABLE 63.—*Loans made during 1934 and 1935 and balances outstanding, Dec. 31, 19*
States

District and State	Loans made 1934–35		Balance outstand Dec. 31, 193	
	Number	Amount	Amount	Perc lo m
District 1: New York	399	$48,823	$7,065	
District 2: Pennsylvania			[1] 78	
District 3: Florida	964	397,701	146,673	
District 4: Indiana			[1] 52	
District 5:				
Alabama			[1] 75	
Louisiana	7,363	452,553	367,339	
Total	7,363	452,553	367,414	
District 6:				
Illinois	1,450	125,359	27,940	
Missouri	20,610	2,031,368	1,060,335	
Arkansas	13,408	683,402	432,765	
Total	35,468	2,840,129	1,521,040	
District 7:				
Michigan			[1] 999	
Wisconsin	5,777	1,024,851	790,237	
Minnesota	27,133	6,683,957	5,782,833	
North Dakota	44,404	12,119,681	11,590,268	
Total	77,314	19,828,489	18,164,337	
District 8:				
Iowa	7,154	1,012,389	469,685	
South Dakota	43,989	16,263,348	14,211,947	
Nebraska	24,916	7,257,093	5,389,061	
Wyoming	3,305	2,830,567	1,706,938	
Total	79,364	27,363,397	21,777,631	
District 9:				
Kansas	16,412	3,382,690	2,403,876	
Oklahoma	12,518	1,150,297	575,303	
Colorado	7,408	2,333,062	1,485,844	
New Mexico	5,482	1,813,062	877,361	
Total	41,820	8,679,111	5,342,384	
District 10: Texas	42,834	6,970,224	3,871,348	
District 11:				
Arizona	278	60,398	27,465	
Utah	4,007	1,752,497	1,262,914	
Nevada	102	119,618	55,649	
California	1,251	241,049	68,665	
Total	5,638	2,173,562	1,414,693	

[1] Transferred from drought areas.

DROUGHT RELIEF LOANS

TABLE 63.—*Loans made during 1934 and 1935 and balances outstanding, Dec. 31, 1938, by States*—Continued

District and State	Loans made, 1934–35		Balance outstanding, Dec. 31, 1938	
	Number	Amount	Amount	Percent of loans made
District 12:				
Montana	6,396	$1,672,064	$1,281,814	76.7
Idaho	1,678	1,051,717	657,146	62.5
Washington	1,175	387,954	144,395	37.2
Oregon	201	142,816	67,787	47.5
Total	9,450	3,254,551	2,151,142	66.1
Grand total	300,614	72,008,540	54,763,757	76.1

EMERGENCY CROP AND FEED LOAN OFFICES

TABLE 64.—*Statement of condition of 1921–31 farmers' seed loans, Dec. 31, 1938*

ASSETS

Loans:			
Made 1921–31 for seed and feed	$70,835,685.66		
Less repayments	51,966,497.72	$18,869,187.94	
For purchase of capital stock of agricultural credit corporations	1,513,023.94		
Less repayments	1,058,875.08	454,148.86	
Total		19,323,336.80	
Less reserve		18,000,000.00	$1,323,336.80
Cash:			
In appropriations with the Treasurer of the United States		342,365.99	
On deposit with the Treasurer of the United States		8,368.85	350,734.84
Total assets			1,674,071.64

LIABILITIES

Capital:			
Transferred from Department of Agriculture, May 27, 1933:			
Loans outstanding	$43,176,028.41		
Unexpended balances in appropriations	16,606,580.86	$59,782,609.27	
Less:			
Transferred to Farm Credit Administration revolving fund	35,000,000.00		
Reserve for estimated losses on loans	18,000,000.00		
Transferred to Treasury surplus	4,035,066.02		
Transferred to Federal Credit Union	50,000.00		
Transferred to the Department of Agriculture master appropriation account	3,220.79		
Cotton collateral adjustments	583,952.99		
Loss on compromise settlements	15,530.81		
Administrative expenses	420,767.02	58,108,537.63	$1,674,071.64
Total liabilities			1,674,071.64

EMERGENCY CROP AND FEED LOAN OFFICES

TABLE 65.—*Statement of condition of 1932 and 1933 emergency crop and feed loans, Dec. 3. 1938*

ASSETS

Loans:			
Made in 1932	$64, 204, 503. 06		
Less repayments	41, 659, 437. 37	$22, 545, 065. 69	
Made in 1933	57, 375, 939. 87		
Less repayments	47, 643, 514. 78	9, 732, 425. 09	
Total		32, 277, 490. 78	
Less reserve		28, 000, 000. 00	$4, 277, 490.
Cash:			
In appropriation with the Treasurer of the United States		519, 454. 45	
On deposit with the Treasurer of the United States		295, 208. 06	814, 662.
Total assets			5, 092, 153.

LIABILITIES

Accounts payable			$4, 522.
Unapplied receipts			106, 534.
Capital:			
Funds allocated from Reconstruction Finance Corporation		$200, 000, 000. 00	
Interest revenue:			
1932 loans	3, 441, 651. 82		
1933 loans	2, 063, 792. 60	5, 505, 444. 42	
Total		205, 505, 444. 42	
Less:			
Transferred to Farm Credit Administration revolving fund	45, 000, 000. 00		
Transferred to Federal intermediate credit bank revolving fund	40, 000, 000. 00		
Allotted for capital stock of regional agricultural credit corporations	44, 500, 000. 00		
Transferred to Treasury surplus	30, 000, 000. 00		
Reserve for estimated losses on loans	28, 000, 000. 00		
Cotton collateral adjustments	450, 895. 67		
Loss on compromise settlements	1, 928. 11		
Administrative expenses	12, 671, 524. 50	200, 524, 348. 28	
			4, 981, 096.
Total liabilities			5, 092, 153.

EMERGENCY CROP AND FEED LOAN OFFICES

TABLE 66.—*Statement of condition of 1934 emergency crop and feed loans, Dec. 31, 1938*

ASSETS			
Loans:			
Made in 1934	$37,891,586.00		
Less repayments	23,748,407.23	$14,143,178.77	
Less reserve		12,000,000.00	$2,143,178.77
Cash:			
In appropriation with the Treasurer of the United States		167,450.30	
On deposit with the Treasurer of the United States		149,423.88	316,874.18
Total assets			2,460,052.95
LIABILITIES			
Accounts payable			$918.92
Unapplied receipts			144,408.50
Capital:			
Funds appropriated under act of Feb. 23, 1934	40,000,000.00		
Interest revenue	1,398,457.00	$41,398,457.00	
Less:			
Funds transferred to Treasury surplus	21,230,043.66		
Reserve for estimated losses on loans	12,000,000.00		
Transferred to Farm Credit Administration for administrative expenses	2,375,000.00		
Loss on compromise settlements	709.39		
Administrative expenses	3,477,978.42	39,083,731.47	2,314,725.53
Total liabilities			2,460,052.95

TABLE 67.—*Statement of condition of 1935 emergency crop and feed loans, Dec. 31, 1938*

ASSETS			
Loans:			
Made in 1935	57,419,914.64		
Less repayments	30,945,301.01		
		$26,474,613.63	
Less reserve		20,000,000.00	$6,474,613.63
Cash:			
In appropriation with the Treasurer of the United States		160,716.74	
On deposit with the Treasurer of the United States		265,136.51	425,853.25
Total assets			6,900,466.88
LIABILITIES			
Accounts payable			$3,151.88
Unapplied receipts			253,121.79
Capital:			
Funds appropriated under act of Feb. 20, 1935	60,000,000.00		
Interest revenue	1,646,986.62	$61,646,986.62	
Less:			
Funds transferred to Treasury surplus	27,815,396.93		
Reserve for estimated losses on loans	20,000,000.00		
Transferred to Farm Credit Administration for administrative expenses	4,400,000.00		
Loss on compromise settlements	671.41		
Administrative expenses	2,786,725.07	55,002,793.41	6,644,193.21
Total liabilities			6,900,466.88

EMERGENCY CROP AND FEED LOAN OFFICES

TABLE 68.—*Statement of condition of 1936 emergency crop and feed loans, Dec. 31, 1938*

ASSETS

Loans:			
Made in 1936	$16,629,189.82		
Less repayments	12,897,780.86	$3,731,408.96	
Less reserve		2,000,000.00	$1,731,408.96
Total assets			1,731,408.96

LIABILITIES

Accounts payable			$393.04
Capital:			
Funds allotted under Executive order of Feb 28, 1936	$37,000,000.00		
Interest revenue	532,022.53	$37,532,022.53	
Less:			
Portion of allotment rescinded	20,115,799.69		
Reserve for estimated losses on loans	2,000,000.00		
Collections transferred to miscellaneous receipts	12,900,186.42		
Administrative expenses	785,020.50	35,801,006.61	1,731,015.92
Total liabilities			1,731,408.96

TABLE 69.—*Statement of condition of 1937 and 1938 emergency crop and feed loans, Dec. 31, 1938*

ASSETS

Loans:			
Made in 1937	$32,503,280.41		
Less repayments	20,798,264.87	$11,705,015.54	
Made in 1938	19,582,465.00		
Less repayments	11,110,742.87	8,471,722.13	$20,176,737.67
Cash:			
In appropriation with the Treasurer of the United States		22,899,193.34	
On deposit with the Treasurer of the United States		2,871,945.15	
			25,771,138.49
Total assets			45,947,876.16

LIABILITIES

Accounts payable			$5,821.15
Capital:			
Funds appropriated under acts of Jan. 29, 1937, and Feb. 4, 1938		$50,000,000.00	
Interest revenue:			
1937 loans	$727,180.98		
1938 loans	397,458.14		
		1,124,639.12	
Total		51,124,639.12	
Less:			
Funds transferred to Farm Credit Administration for administrative expenses	2,800,000.00		
Administrative expenses	2,382,584.11	5,182,584.11	45,942,055.01
Total liabilities			45,947,876.16

EMERGENCY CROP AND FEED LOAN OFFICES

TABLE 70.—*Statement of condition of 1934–35 drought-relief loans, Dec. 31, 1938*

ASSETS			
Loans:			
Made in 1934–35	$72,008,539.50		
Less repayments	17,244,782.43	$54,763,757.07	
Less reserve		20,000,000.00	$34,763,757.07
Cash:			
In appropriation with the Treasurer of the United States		1,226,726.54	
On deposit with the Treasurer of the United States		165,302.06	
			1,392,028.60
Total assets			36,155,785.67
LIABILITIES			
Accounts payable			$672.15
Unapplied receipts			123,923.10
Capital:			
Funds appropriated under act of June 19, 1934	$96,785,000.00		
Interest revenue (not transferred to miscellaneous receipts)	3,776.03	$96,788,776.03	
Less:			
Funds transferred to Treasury surplus	28,093,176.19		
Funds transferred to Treasury reserve	10,000,000.00		
Reserve for estimated losses on loans	20,000,000.00		
Transferred to Farm Credit Administration for administrative expenses	1,100,000.00		
Loss on compromise settlements	11,726.07		
Administrative expenses	1,552,683.35	60,757,585.61	36,031,190.42
Total liabilities			36,155,785.67

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

TABLE 71.—*Number and amount of loans outstanding, Apr. 30, 1934, percent reduction in amount from May 1, 1934, to Dec. 31, 1938, and number and amount of loans outstanding Dec. 31, 1938*

District and State	Loans outstanding, Apr. 30, 1934		Percent reduction in amount from May 1, 1934, to Dec. 31, 1938	Loans outstanding, Dec. 31, 1938	
	Number	Amount		Number	Amount
District 1:					
Maine	182	$43,971	99.5	3	$200
New Hampshire	59	25,177	98.9	1	280
Vermont	194	133,729	99.8	1	277
Massachusetts	250	173,706	97.7	8	4,003
Rhode Island	21	10,314	97.9	1	212
Connecticut	51	52,043	99.1	3	448
New York	878	639,073	97.4	14	16,519
New Jersey	295	574,713	72.9	16	155,495
Total	1,930	1,652,726	89.3	47	177,434
District 2:					
Pennsylvania	89	51,150	99.4	3	332
Delaware	14	9,735	100.0		
Maryland	81	89,331	93.9	2	5,458
Virginia	93	184,551	97.3	4	4,993
West Virginia	85	141,826	94.0	3	8,536
Puerto Rico	5	21,146	100.0		
Total	367	497,739	96.1	12	19,319
District 3:					
North Carolina	67	47,949	98.6	3	677
South Carolina	29	40,060	100.0		
Georgia	243	483,816	98.2	5	8,563
Florida	641	569,830	95.6	56	25,115
Total	980	1,141,655	97.0	64	34,355
District 4:					
Ohio	1,050	370,425	99.7	7	1,191
Indiana	908	311,414	99.8	5	587
Kentucky	1,086	367,996	99.8	17	856
Tennessee	1,312	460,141	99.9	7	474
Total [1]	4,356	1,509,976	99.8	36	3,108
District 5:					
Alabama	559	367,758	98.2	7	6,515
Mississippi	539	253,319	99.6	15	1,031
Louisiana	746	512,731	99.7	6	1,401
Total	1,844	1,133,808	99.2	28	8,947
District 6:					
Illinois	56	48,557	100.0		
Missouri	217	149,274	97.7	2	3,404
Arkansas	480	161,994	96.7	36	5,260
Total [1]	753	359,825	97.6	38	8,664

See footnote at end of table.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

TABLE 71.—*Number and amount of loans outstanding, Apr. 30, 1934, percent reduction in amount from May 1, 1934, to Dec. 31, 1938, and number and amount of loans outstanding Dec. 31, 1938*—Continued

District and State	Loans outstanding, Apr. 30, 1934		Percent reduction in amount from May 1, 1934, to Dec. 31, 1938	Loans outstanding, Dec. 31, 1938	
	Number	Amount		Number	Amount
District 7:					
Michigan	1,216	$567,145	96.6	72	$19,289
Wisconsin	7,721	4,139,641	97.8	226	90,390
Minnesota	17,542	11,454,275	96.2	795	431,860
North Dakota	17,688	15,893,636	65.6	7,758	5,464,116
Total [1]	44,167	32,054,697	81.3	8,851	6,005,655
District 8:					
Iowa	3,988	2,572,547	99.4	60	16,371
South Dakota	11,816	9,425,661	93.6	1,323	607,311
Nebraska	11,789	11,281,844	98.0	455	230,917
Wyoming	1,891	8,614,593	97.8	33	186,285
Total [1]	29,484	31,894,645	96.7	1,871	1,040,884
District 9:					
Kansas	4,937	4,930,107	98.1	82	94,088
Oklahoma	2,314	2,907,462	99.1	18	25,054
Colorado	4,340	8,414,153	95.5	79	381,214
New Mexico	1,011	5,255,921	94.8	27	274,965
Total [1]	12,602	21,507,643	96.4	206	775,321
District 10: Texas [1]	8,290	12,789,052	96.5	175	451,868
District 11:					
Arizona	192	811,906	99.9	1	8
Utah	1,203	3,720,585	96.1	27	143,971
Nevada	336	2,867,257	80.1	16	570,952
California	1,410	3,537,598	99.6	8	12,718
Total [1]	3,141	10,937,346	93.3	52	727,649
District 12:					
Montana	5,929	13,614,676	94.6	234	734,537
Idaho	2,363	8,682,120	87.7	29	1,065,230
Washington	1,540	2,483,724	99.8	11	4,989
Oregon	1,262	4,411,542	99.5	5	23,337
Total [1]	11,094	29,192,062	93.7	279	1,828,093
Grand total	119,008	144,671,174	92.3	11,659	11,081,297

[1] Totals by States in this district do not agree with figures for the corresponding corporations because some business crossed district lines in accordance with customary marketing areas.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

TABLE 72.—*Number and amount of loans outstanding, Apr. 30, 1934, percent reduction in amount from May 1, 1934, to Dec. 31, 1938, and number and amount of loans outstanding Dec. 31, 1938*

Corporation and office	Loans outstanding, Apr. 30, 1934		Percent reduction in amount from May 1, 1934, to Dec. 31, 1938	Loans outstanding, Dec. 31, 1938	
	Number	Amount		Number	Amount
Washington, D. C.[1]	18,444	$18,732,396	96.2	400	$703,695
Minneapolis	44,214	32,120,842	81.2	8,886	6,035,302
Sioux City	29,363	31,130,440	96.9	1,838	976,457
Wichita (at Denver)	12,675	21,827,809	96.4	206	775,321
Salt Lake City	3,912	13,734,943	93.1	72	945,150
Helena	8,923	16,098,400	95.4	239	735,125
Boise	1,477	11,126,344	91.8	18	910,247
Total, Spokane corporation	10,400	27,224,744	94.0	257	1,645,372
Grand total	119,008	144,671,174	92.3	11,659	11,081,297

[1] The Regional Agricultural Credit Corporation of Washington, D. C., was created Sept. 30, 1937, and acquired all assets and assumed all liabilities of the Albany, Baltimore, Raleigh, Columbus, Jackson, and St. Louis corporations. The Fort Worth corporation was merged with the Regional Agricultural Credit Corporation of Washington, D. C., Sept. 1, 1938.

TABLE 73.—*Changes during 1938 in amount of loans outstanding, by corporations*

Corporation	Disbursements on loans[1]	Repayments[1]	Charge-offs	Transfers to personal and real property and judgment accounts	Net reduction in loans outstanding
Washington, D. C.[2]	$223,358	$740,507	$55,187	$16,369	$588,705
Minneapolis	44,509	1,604,355	178,583	52,265	1,790,694
Sioux City	270,686	1,104,530	93,630	6,124	933,598
Wichita (at Denver)	614,293	1,217,023	37,984	99,702	740,416
Salt Lake City	889,134	1,074,681	14,540	3,708	203,795
Spokane (at Helena)	949,228	1,073,846	111,709	16,986	253,313
Total	2,991,208	6,814,942	491,633	195,154	4,510,521

[1] Excludes renewals.

[2] The Regional Agricultural Credit Corporation of Washington, D. C., was created Sept. 30, 1937, and acquired all assets and assumed all liabilities of the Albany, Baltimore, Raleigh, Columbus, Jackson, and St. Louis corporations. The Fort Worth corporation was merged with the Regional Agricultural Credit Corporation of Washington, D. C., Sept. 1, 1938.

REGIONAL AGRICULTURAL CREDIT CORPORATIONS

TABLE 74.—*Consolidated statement of condition, Dec. 31, 1938, and Apr. 30, 1934*

	Dec. 31, 1938		Apr. 30, 1934	
ASSETS				
Loans	$11,081,296.72		[1] $144,693,005.77	
Less reserve	2,999,681.23	$8,081,615.49		$144,693,005.77
Loans outstanding: Commodity Credit Corporation		71,228.70		
Advances for care and preservation of collateral		52.52		
Cash:				
On deposit with Treasurer of the United States:				
Finance account	9,698,670.10		2,393,639.25	
Expense account	43,906.35		207,886.72	
On hand and in transit	35,395.03		2,922.12	2,604,448.09
		9,777,971.48		
Accounts receivable		57,621.17		
Accrued interest receivable on loans	618,192.67		4,605,324.59	
Less reserve	296,794.02			4,605,324.59
		321,398.65		
Uncollected interest on loans, principal fully repaid	270.64			
Less reserve	270.64			
Personal and real property	115,195.30		113,595.42	
Less reserve	31,420.21			113,595.42
		83,775.09		
Sheriffs' certificates, judgments, etc	157,582.37			
Less reserve	68,773.97			
		88,808.40		
Furniture, fixtures, and equipment (net)				198,709.88
Prepaid interest on rediscounts				1,064,103.31
Other assets		1,999.45		535,830.92
Total assets		18,484,470.95		153,815,017.98
LIABILITIES				
Rediscounts outstanding:				
Federal intermediate credit banks			$88,386,510.66	
Reconstruction Finance Corporation			14,092,391.93	102,478,902.59
Reserved for payment of operating expense [2]		$73,447.83		415,851.49
Unapplied receipts		43,550.27		292,064.94
Other liabilities		2,450.57		59,281.69
Capital stock		5,000,000.00		44,500,000.00
Surplus paid in by Reconstruction Finance Corporation [3]	$15,762,058.57		7,129,220.08	
Less impairment	2,397,036.29	13,365,022.28	1,060,302.81	6,068,917.27
Total liabilities		18,484,470.95		153,815,017.98
Loans authorized but not yet disbursed	$642,742.82		$30,095,555.47	

[1] The difference of $21,831.94 between this figure and the amount of loans outstanding Apr. 30, 1934, as shown in tables 71 and 72 represents check issued and outstanding on loans being renewed.

[2] Accountable to the Reconstruction Finance Corporation for advances made to defray operating expense.

[3] This amount has been paid in cash to regional agricultural credit corporations by the Reconstruction Finance Corporation and is equal to the total operating expense of the regional agricultural credit corporations from their organization to the date of this statement. (Payment by the Reconstruction Finance Corporation of the operating expense of the regional agricultural credit corporations is required by sec. 201 (e) of the act of July 21, 1932.)

AGRICULTURAL MARKETING ACT REVOLVING FUND

TABLE 75.—*Commitments and loans outstanding, Dec. 31, 1938, by commodities*

Commodities	Commitments outstanding	Loans outstanding				
		Operating capital	Facility	Commodity	Stabilization corporation	Total
Beans			$50,245			$50,245
Coffee						
Cotton	$1,500,000	$7,901,409				7,901,409
Dairy products	1,080,000	2,216,240	1,286,333			3,502,573
Fruits and vegetables:						
Citrus fruits			1,207,595			1,207,595
Grapes and raisins		2,436,047	2,983,942			5,419,989
Other deciduous fruits		31,853	242,583			274,436
Potatoes		3,875				3,875
Other fruits and vegetables		309,803	31,173			340,976
Grain	175,000	2,596,421			$67,460,014	70,056,435
Honey						
Livestock		1,765,210				1,765,210
Nuts			11,427			11,427
Poultry and eggs		78,291				78,291
Rice		41,765	118,442			160,207
Seeds			8,360			8,360
Sugar						
Tobacco						
Wool and mohair		400,000	1,976			401,976
Total	2,755,000	17,780,914	5,942,076		67,460,014	91,183,004

AGRICULTURAL MARKETING ACT REVOLVING FUND

TABLE 76.—*Commitments, advances, cash repayments, and charge-offs and transfers to other asset accounts, by periods, from June 15, 1929, to Dec. 31, 1938, and loans and commitments outstanding at end of each period*

Period	Net commitments	Advances on commitments	Cash repayments	Refinanced by banks for cooperatives	Charge-offs and transfers to other asset accounts	Loans outstanding at end of period	Commitments outstanding at end of period
1929 (June 15-Dec. 31)	$60, 755, 000	$14, 823, 235	$313, 349			$14, 509, 886	$45, 931, 765
1930	345, 302, 257	348, 551, 947	129, 306, 173			233, 755, 660	42, 682, 075
1931	494, 701, 254	516, 821, 426	314, 323, 467			436, 258, 619	20, 561, 903
1932	219, 718, 816	229, 026, 034	182, 680, 109		$16, 098, 078	460, 501, 466	11, 254, 685
1933 (Jan. 1-May 26)	37, 464, 014	39, 083, 896	34, 735, 285		5, 207, 403	466, 242, 668	9, 034, 809
Total	1, 157, 941, 341	1, 148, 906, 532	661, 358, 383		21, 305, 481		
1933 (May 27-Dec. 31)	166, 712	7, 027, 141	22, 562, 073	$10, 425, 000	106, 190, 966	334, 091, 770	2, 174, 380
1934	10, 038, 375	9, 554, 823	15, 215, 765	1, 327, 815	180, 192, 374	146, 910, 639	2, 657, 932
1935	6, 094, 139	7, 402, 344	12, 837, 776	6, 014, 015	19, 602, 651	115, 858, 541	1, 349, 727
1936	27, 057, 284	20, 449, 466	14, 469, 824	28, 516	47, 804	121, 761, 863	7, 957, 545
1937	2, 436	5, 934, 981	14, 903, 624		13, 822, 443	98, 970, 777	2, 025, 000
1938	8, 040, 500	7, 910, 500	15, 658, 167	2, 400	37, 706	91, 183, 004	2, 755, 000
Total	51, 999, 446	58, 279, 255	95, 647, 220	17, 797, 746	319, 893, 944		
Grand total	1, 209, 940, 787	1, 207, 185, 787	757, 005, 612	17, 797, 746	341, 199,425		

AGRICULTURAL MARKETING ACT REVOLVING FUND

TABLE 77.—*Statement of condition, Dec. 31, 1938*

ASSETS

Loans:			
Operating capital		$17,780,913.96	
Facility		5,942,076.22	
Stabilization corporations		67,460,013.52	
Total		91,183,003.70	
Less reserve		74,138,387.28	
			$17,044,616.42
Capital stock of banks:			
Central Bank for Cooperatives		50,000,000.00	
District banks for cooperatives		99,000,000.00	
			149,000,000.00
Cash on deposit with the Treasurer of the United States			9,801,588.33
Notes and accounts receivable		56,074.07	
Less reserve		40,276.59	
			15,797.48
Purchase money mortgages, contracts:			
Purchase money mortgages		255,476.12	
Real estate sales contracts		28,241.37	
Total		283,717.49	
Less reserve		10,000.00	
			273,717.49
Sheriffs' certificates and judgments		243,971.12	
Less reserve		151,036.21	
			92,934.91
Assets acquired in liquidation of loans		7,992,514.45	
Less reserve		2,609,147.87	
			5,383,366.58
Assets acquired under transactions authorized by the Agricultural Adjustment Act		20,710.53	
Less reserve		14,196.16	
			6,514.37
Notes and accounts reported to the Comptroller General of the United States for collection			[1] 2,556,881.56
Total assets			184,175,417.14
LIABILITIES			
Unapplied cash receipts		$3,560.37	
Liability for miscellaneous trust funds		10,940.24	
Reserve for notes and accounts reported to the Comptroller General of the United States for collection		2,556,881.56	
			$2,571,382.17
Capital:			
Appropriated by Congress	$500,000,000.00		
Expenditures from Farm Credit Administration annual appropriation	1,751.49		
Interest collected	21,015,189.35		
		521,016,940.84	
Less:			
Loans canceled in connection with donations of wheat and cotton to the American National Red Cross, Public Res. Nos. 12 and 33 and Public Act No. 329, 72d Cong	197,385,144.41		
Determined loss on cotton sold to Secretary of Agriculture in accordance with sec. 3 of Agricultural Adjustment Act	46,298,337.28		
Loss on loans	16,511,437.53		
Adjustment of valuation reserves	79,217,986.65		
		339,412,905.87	
			181,604,034.97
Total liabilities and capital			$184,175,417.14

[1] Includes $301,939.02 which is also included in investment in assets acquired in liquidation of loans, where such assets are on hand but which is included in loss on loans, where such assets acquired are no longer held.

NOTE.—Loan commitments outstanding, $2,755,000.

JOINT STOCK LAND BANKS

TABLE 78.—*Reduction in gross assets, and of bonds and notes payable during 1938, by banks*

Name and location of bank	Gross assets			Bonds and notes payable		
	Dec. 31, 1937	Dec. 31, 1938	Percent reduction, 1938	Dec. 31, 1937	Dec. 31, 1938	Percent reduction, 1938
Atlanta, Atlanta, Ga	$2,722,569	$2,523,789	7.3	$2,007,278	$1,822,245	9.2
Atlantic, Raleigh, N. C	3,754,686	3,410,572	9.2	2,324,000	1,364,500	41.3
California, San Francisco, Calif	1,062,114	201,207	81.1	657,000	41,000	93.8
Dallas, Dallas, Tex	18,085,339	16,145,069	10.7	12,422,104	10,215,000	17.8
Denver, Denver, Colo	6,536,731	6,461,051	1.2	4,484,500	4,576,945	+2.1
Des Moines, Des Moines, Iowa	2,520,972	1,587,218	37.0	938,847	152,000	83.8
First Carolinas, Columbia, S. C	3,248,912	2,679,516	17.5	2,688,000	2,173,900	19.1
First, Fort Wayne, Ind	2,044,313	1,646,962	19.4	585,200	139,700	76.1
First, Montgomery, Ala	3,254,804	3,057,835	6.1	2,781,500	2,621,461	5.8
First, New Orleans, La	2,145,945	1,856,364	13.5	1,697,000	1,456,000	14.2
First Texas, Houston, Tex	3,936,087	3,653,011	7.2	3,310,636	3,032,051	8.4
First Trust, Chicago, Ill	31,684,649	28,486,283	10.1	25,458,000	22,624,000	11.1
Fletcher, Indianapolis, Ind	10,915,928	9,944,055	8.9	8,886,700	7,792,100	12.3
Fremont, Lincoln, Nebr	2,979,962	2,820,122	5.4	2,215,234	2,143,934	3.2
Greenbrier, Charleston, W. Va	279,518	195,469	30.1	76,500	4,500	94.1
Greensboro, Raleigh, N. C	1,721,827	1,241,079	27.9	1,004,000	410,000	59.2
Illinois, Monticello, Ill	1,245,258	610,818	50.9	450,000		100.0
Illinois Midwest, Edwardsville, Ill	2,359,226	2,194,485	7.0	2,001,040	1,838,000	8.1
Indianapolis, Indianapolis, Ind	910,930	767,588	15.7	604,800	471,800	22.0
Iowa, Sioux City, Iowa	2,944,925	2,815,007	4.4	2,162,400	2,082,400	3.7
Kentucky, Lexington, Ky	3,167,239	2,497,609	21.1	900,000	75,000	91.7
La Fayette, La Fayette, Ind	4,195,355	3,808,944	9.2	3,636,000	3,232,800	11.1
Lincoln, Lincoln, Nebr	10,670,814	9,868,052	7.5	8,165,200	7,548,500	7.6
Louisville, Louisville, Ky	1,509,198	1,364,849	9.6	913,920	769,235	15.8
Maryland-Virginia, Baltimore, Md	3,280		100.0			
Minneapolis-Trust, Minneapolis, Minn	1,175,829	1,089,483	7.3	[1] 677,216	[2] 628,156	7.2
New York, Rochester, N. Y	6,483,674	5,807,438	10.4	5,228,000	4,776,000	8.6
North Carolina, Durham, N. C	7,211,394	6,017,272	16.6	5,643,000	4,487,000	20.5
Pacific Coast, Portland, Oreg	3,320,476	2,534,164	23.7	1,928,000	1,155,000	40.1
Pacific Coast, Salt Lake City, Utah	881,041	552,572	37.3	83,000		100.0
Pacific Coast, San Francisco, Calif	4,223,504		100.0	242,394		100.0
Pennsylvania, Philadelphia, Pa	2,942,017	2,567,089	12.7	2,474,396	2,123,467	14.2
Phoenix, Kansas City, Mo	16,217,788	16,237,450	+.1	12,070,982	12,374,341	+2.5
Potomac, Washington, D. C	2,221,517	1,985,873	10.6	1,527,500	1,271,000	16.8
San Antonio, San Antonio, Tex	8,830,461	7,730,719	12.5	6,059,403	4,958,916	18.2
Southwest, Little Rock, Ark	2,523,031	2,204,755	12.6	2,093,131	1,966,909	6.0
Union, Detroit, Mich	7,106,772	6,285,333	11.6	5,802,000	5,075,500	12.5
Union, Louisville, Ky	480,528		100.0	286,746		100.0
Union Trust, Indianapolis, Ind	538,827	525,543	2.5	106,500	93,500	12.2
Virginia-Carolina, Elizabeth City, N. C	2,603,526	1,948,413	25.2	1,852,992	1,206,398	34.9
Virginian, Charleston, W. Va	5,129,598	4,225,955	17.6	3,889,642	2,962,658	23.8
Total	195,790,575	169,549,015	13.4	140,334,761	119,665,916	14.7

[1] Includes $667,216 certificates of participation.
[2] Includes $618,156 certificates of participation.

JOINT STOCK LAND BANKS

TABLE 79.—*Changes in amount of purchase money mortgages, contracts, etc., and of real estate, sheriffs' certificates, and judgments during 1938, by banks*

Name and location of bank	Purchase money mortgages, contracts, etc.			Real estate, sheriffs' certificates, and judgments		
	Dec. 31, 1937	Dec. 31, 1938	Percent change, 1938	Dec. 31, 1937	Dec. 31, 1938	Percent change, 1938
Atlanta, Atlanta, Ga	$676,167	$574,916	−15.0	$514,557	$520,471	1.1
Atlantic, Raleigh, N. C	1,010,296	798,659	−20.9	116,551	108,949	−6.5
California, San Francisco, Calif	*96,350*	*126,103*	*30.9*	*52,914*	*1*	*−99.9*
Dallas, Dallas, Tex	2,532,502	2,528,034	−.2	3,534,952	3,072,396	−13.1
Denver, Denver, Colo	1,301,397	1,307,841	.5	1,825,077	1,484,915	−18.6
Des Moines, Des Moines, Iowa	349,623	245,450	−29.8	2,325,423	1,654,631	−28.8
First Carolinas, Columbia, S. C	1,087,823	1,049,675	−3.5	853,013	566,955	−33.5
First, Fort Wayne, Ind	615,767	553,188	−10.2	597,585	515,851	−13.7
First, Montgomery, Ala	738,076	545,486	−26.1	490,595	391,347	−18.6
First, New Orleans, La	487,098	476,514	−2.2	354,433	316,681	−10.6
First Texas, Houston, Tex	324,356	354,831	9.4	1,447,919	1,347,382	−6.9
First Trust, Chicago, Ill	1,756,297	2,109,573	−20.1	14,939,343	13,878,073	−7.1
Fletcher, Indianapolis, Ind	270,915	402,907	48.7	948,819	991,571	4.5
Fremont, Lincoln, Nebr	306,335	335,722	9.6	2,568,622	2,479,171	−3.5
Greenbrier, Charleston, W. Va	*24,028*	*7,327*	*−69.5*	*17,380*	*13,216*	*−24.0*
Greensboro, Raleigh, N. C	490,105	265,612	−45.8	185,070	143,494	−22.5
Illinois, Monticello, Ill	135,965	42,725	−68.6	465,223	388,566	−16.5
Illinois Midwest, Edwardsville, Ill	198,227	231,718	16.9	1,371,664	1,280,377	−6.7
Indianapolis, Indianapolis, Ind	*19,798*	*14,334*	*−27.6*	*9,409*	*4,927*	*−47.6*
Iowa, Sioux City, Iowa	321,271	320,075	−.4	1,745,548	1,666,380	−4.5
Kentucky, Lexington, Ky	260,373	212,856	−18.2	372,254	64,413	−82.7
La Fayette, La Fayette, Ind	446,342	547,426	22.6	1,110,765	964,699	−13.2
Lincoln, Lincoln, Nebr	1,101,960	1,183,030	7.4	7,228,669	6,780,374	−6.2
Louisville, Louisville, Ky	*750,435*	*751,801*	*.2*	*284,831*	*187,203*	*−34.3*
Maryland-Virginia, Baltimore, Md						
Minneapolis-Trust, Minneapolis, Minn	83,917	107,095	27.6	1,054,874	979,605	−7.1
New York, Rochester, N. Y	*1,063,955*	*1,202,053*	*21.4*	*2,268,173*	*1,767,587*	*−22.1*
North Carolina, Durham, N. C	1,947,329	1,915,524	−1.6	1,315,837	881,975	−33.0
Pacific Coast, Portland, Oreg	426,021	591,036	38.7	679,882	518,728	−23.7
Pacific Coast, Salt Lake City, Utah	432,957	337,069	−22.1	173,079	172,163	−.9
Pacific Coast, San Francisco, Calif	*1,072,781*		*−100.0*	*840,722*		*−100.0*
Pennsylvania, Philadelphia, Pa	308,978	292,209	−5.4	306,302	236,180	−22.9
Phoenix, Kansas City, Mo	186,711	362,706	94.3	2,768,562	2,440,671	−11.8
Potomac, Washington, D. C	386,288	348,282	−9.8	150,360	111,205	−26.0
San Antonio, San Antonio, Tex	526,925	519,190	−1.5	2,620,875	2,682,396	2.3
Southwest, Little Rock, Ark	*217,550*	*300,962*	*38.3*	*848,660*	*815,408*	*−3.9*
Union, Detroit, Mich	1,419,605	1,350,228	−4.9	1,259,020	1,018,183	−19.1
Union, Louisville, Ky	191,300		−100.0	21,700		−100.0
Union Trust, Indianapolis, Ind	11,845	11,106	−6.2	5,747	10,540	83.4
Virginia-Carolina, Elizabeth City, N. C	664,577	610,488	−8.1	135,781	71,002	−47.7
Virginian, Charleston, W. Va	999,581	1,012,200	1.3	612,046	448,814	−26.7
Total	25,241,830	24,036,039	−4.8	58,412,836	50,976,700	−12.7

JOINT STOCK LAND BANKS

TABLE 80.—*Reduction in mortgage loans during 1938, by banks*

Name and location of bank	Amounts outstanding		Percent reduction during 1938					
	Dec. 31, 1937	Dec. 31, 1938	Total	Loans refinanced, sold, or paid in full	Amortization and special payments	Charged to profit and loss	Foreclosure or voluntary deed	Other
Atlanta, Atlanta, Ga	$1,465,451	$1,231,739	15.9	12.6	2.9	------	.4	------
Atlantic, Raleigh, N. C	2,512,337	2,023,669	19.5	15.0	3.6	------	.8	.1
California, San Francisco, Calif	------	------	------	------	------	------	------	------
Dallas, Dallas, Tex	11,821,388	9,693,083	18.0	13.2	3.1	------	1.7	------
Denver, Denver, Colo	3,527,813	2,991,532	15.2	7.6	2.9	.3	4.4	------
Des Moines, Des Moines, Iowa	334,345	238,586	28.6	6.8	.9	.3	20.6	------
First Carolinas, Columbia, S. C	1,272,440	1,176,093	7.6	3.0	3.6	------	1.0	------
First, Fort Wayne, Ind	760,853	614,845	19.2	16.5	2.7	------	------	------
First, Montgomery, Ala	2,109,072	1,905,430	9.7	6.3	3.1	------	.3	------
First, New Orleans, La	1,131,119	934,406	17.4	11.5	2.9	------	3.0	------
First Texas, Houston, Tex	2,242,976	1,951,191	13.0	6.0	3.3	------	3.9	+.2
First Trust, Chicago, Ill	16,308,212	14,017,268	14.0	7.9	2.7	------	3.7	+.3
Fletcher, Indianapolis, Ind	9,077,079	8,095,069	10.8	8.1	2.5	------	2.7	+.5
Fremont, Lincoln, Nebr	512,383	414,390	19.1	------	1.2	------	17.9	------
Greenbrier, Charleston, W. Va	230,669	164,691	28.6	21.6	3.6	.6	2.8	------
Greensboro, Raleigh, N. C	894,015	411,796	53.9	49.1	2.5	------	2.3	------
Illinois, Monticello, Ill	*614,590*	*174,370*	*71.6*	*69.9*	*1.2*	------	.5	------
Illinois Midwest, Edwardsville, Ill	1,020,758	897,230	12.1	6.9	3.5	------	1.7	------
Indianapolis, Indianapolis, Ind	442,471	356,087	19.5	15.9	3.6	------	------	------
Iowa, Sioux City, Iowa	842,171	715,306	15.1	5.3	4.3	------	5.5	------
Kentucky, Lexington, Ky	2,566,708	2,196,141	14.4	10.7	3.6	+.1	.2	------
La Fayette, La Fayette, Ind	2,683,263	2,272,790	15.3	7.8	3.4	------	4.1	------
Lincoln, Lincoln, Nebr	3,397,920	2,941,728	13.4	3.6	1.7	------	9.1	+1.0
Louisville, Louisville, Ky	510,205	444,955	12.8	6.2	4.6	------	2.0	------
Maryland-Virginia, Baltimore, Md	------	------	------	------	------	------	------	------
Minneapolis-Trust, Minneapolis, Minn	57,868	55,172	4.7	------	2.3	------	2.4	------
New York, Rochester, N. Y	3,144,586	2,825,215	10.2	3.1	3.4	.4	3.3	------
North Carolina, Durham, N. C	3,284,374	2,991,528	8.9	4.2	3.3	------	1.4	------
Pacific Coast, Portland, Oreg	1,942,046	1,301,372	33.0	25.7	2.3	.2	4.8	------
Pacific Coast, Salt Lake City, Utah	117,261	68,259	41.8	21.2	5.5	.4	14.7	------
Pacific Coast, San Francisco, Calif	657,180	------	100.0	98.7	2.4	------	------	+1.1
Pennsylvania, Philadelphia, Pa	2,094,500	1,912,028	8.7	4.4	3.3	------	1.0	------
Phoenix, Kansas City, Mo	5,281,169	4,633,799	12.3	4.6	3.6	.1	4.0	------
Potomac, Washington, D. C	1,514,900	1,323,196	12.7	7.1	3.7	------	1.9	------
San Antonio, San Antonio, Tex	5,277,742	4,561,258	13.6	6.3	3.0	------	5.1	+.8
Southwest, Little Rock, Ark	1,463,928	1,226,416	16.2	3.6	2.5	.2	9.9	------
Union, Detroit, Mich	4,316,297	3,837,662	11.1	5.0	3.6	.3	2.7	+.5
Union, Louisville, Ky	253,482	------	100.0	98.2	1.8	------	------	------
Union Trust, Indianapolis, Ind	312,963	278,377	11.1	7.0	2.7	------	1.4	------
Virginia-Carolina, Elizabeth City, N. C	1,668,753	1,113,745	33.3	27.4	2.6	------	3.3	------
Virginian, Charleston, W. Va	2,957,951	2,534,231	14.3	6.6	4.9	------	2.8	------
Total	*100,623,238*	*84,524,653*	16.0	9.9	3.0	.1	3.2	+.2

JOINT STOCK LAND BANKS

TABLE 81.—*Classification of mortgage loans, purchase money mortgages, real-estate sales contracts, and notes receivable outstanding, Dec. 31, 1938, by banks*

Name and location of bank	Mortgage loans				Purchase-money mortgages, real-estate sales contracts, and notes receivable		
	Total number outstanding	Percent of total			Total number outstanding	Percent of total	
		Not delinquent	Delinquent	In suspense		Not delinquent	Delinquent
Atlanta, Atlanta, Ga.	351	74.4	24.2	1.4	282	69.5	30.5
Atlantic, Raleigh, N. C.	1,059	97.0	2.4	.6	831	84.5	15.5
California, San Francisco, Calif.	---	---	---	---	18	50.0	50.0
Dallas, Dallas, Tex.	2,252	82.7	10.4	6.9	634	72.4	27.6
Denver, Denver, Colo.	653	73.5	14.9	11.6	339	62.8	37.2
Des Moines, Des Moines, Iowa	34	50.0	11.8	38.2	54	75.9	24.1
First Carolinas, Columbia, S. C.	398	94.5	2.0	3.5	586	74.1	25.9
First, Fort Wayne, Ind.	190	80.1	15.8	4.1	158	91.1	8.9
First, Montgomery, Ala.	509	88.8	9.6	1.6	174	79.3	20.7
First, New Orleans, La.	107	88.8	10.3	.9	106	78.3	21.7
First Texas, Houston, Tex.	363	62.5	28.7	8.8	85	74.1	25.9
First Trust, Chicago, Ill.	2,178	90.0	2.3	7.7	375	95.7	4.3
Fletcher, Indianapolis, Ind.	2,139	90.6	5.1	4.3	98	94.9	5.1
Fremont, Lincoln, Nebr.	74	78.4	18.9	2.7	57	86.0	14.0
Greenbrier, Charleston, W. Va.	115	95.7	4.3	---	12	33.3	66.7
Greensboro, Raleigh, N. C.	191	93.2	3.7	3.1	154	85.7	14.3
Illinois, Monticello, Ill.	28	92.8	3.6	3.6	6	66.7	33.3
Illinois Midwest, Edwardsville, Ill.	193	94.8	3.6	1.6	61	98.4	1.6
Indianapolis, Indianapolis, Ind.	125	93.6	6.4	---	6	83.3	16.7
Iowa, Sioux City, Iowa	91	65.9	16.5	17.6	45	91.1	8.9
Kentucky, Lexington, Ky.	741	92.3	3.6	4.1	92	83.7	16.3
La Fayette, La Fayette, Ind.	560	75.9	17.7	6.4	97	60.8	39.2
Lincoln, Lincoln, Nebr.	416	76.4	14.2	9.4	205	81.5	18.5
Louisville, Louisville, Ky.	178	96.6	2.3	1.1	213	93.9	6.1
Minneapolis-Trust, Minneapolis, Minn.	14	35.7	21.4	42.9	53	41.5	58.5
New York, Rochester, N. Y.	921	74.9	20.1	5.0	451	67.2	32.8
North Carolina, Durham, N. C.	1,463	97.4	2.1	.5	879	76.0	24.0
Pacific Coast, Portland, Oreg.	129	34.1	61.2	4.7	94	52.1	47.9
Pacific Coast, Salt Lake City, Utah	29	31.0	38.0	31.0	110	30.0	70.0
Pennsylvania, Philadelphia, Pa.	735	73.3	24.0	2.7	186	58.6	41.4
Phoenix, Kansas City, Mo.	1,326	83.6	9.1	7.3	138	91.3	8.7
Potomac, Washington, D. C.	489	87.5	11.7	.8	161	72.7	27.3
San Antonio, San Antonio, Tex.	945	73.0	11.1	15.9	205	86.8	13.2
Southwest, Little Rock, Ark.	284	65.5	22.9	11.6	121	76.9	23.1
Union, Detroit, Mich.	1,476	75.9	22.5	1.6	608	65.3	34.7
Union Trust, Indianapolis, Ind.	89	78.6	12.4	9.0	3	100.0	---
Virginia-Carolina, Elizabeth City, N. C.	471	87.1	9.3	3.6	318	72.6	27.4
Virginian, Charleston, W. Va.	1,147	85.4	8.9	5.7	487	79.1	20.9
Total	22,469	84.0	10.6	5.4	8,302	75.6	24.4

JOINT STOCK LAND BANKS

TABLE 82.—*Loans outstanding, and real estate, sheriffs' certificates, and judgments held, Dec. 31, 1938, by States* [1]

State	Loans outstanding		Real estate, sheriffs' certificates, and judgments held		
	Number	Unmatured principal	Number	Investment	Carrying value
Alabama	313	$1,166,856	25	$141,476	$93,630
Arizona					
Arkansas	227	1,028,014	37	215,990	154,364
California			1	1	1
Colorado	375	1,640,494	164	1,074,934	798,222
Connecticut					
Delaware					
Florida					
Georgia	547	1,948,469	107	770,410	611,646
Idaho	27	46,721	24	106,569	84,334
Illinois	1,162	7,254,148	455	5,248,706	4,572,161
Indiana	3,151	11,515,388	298	2,465,193	2,126,905
Iowa	860	7,155,202	1,115	12,907,276	10,351,530
Kansas	680	2,499,946	281	1,531,583	1,413,149
Kentucky	439	1,229,646	16	140,212	91,787
Louisiana	18	147,503	7	70,893	69,743
Maine					
Maryland	88	368,001	9	37,727	23,150
Massachusetts					
Michigan	328	977,063	74	614,398	440,924
Minnesota	9	70,173	103	703,360	521,295
Mississippi	89	785,430	19	247,888	217,557
Missouri	485	1,637,783	228	1,234,157	892,458
Montana	50	219,466	50	261,451	99,770
Nebraska	302	1,679,236	683	6,402,282	5,522,518
Nevada					
New Hampshire					
New Jersey	132	414,919	11	108,121	72,050
New Mexico					
New York	932	2,603,513	277	1,772,595	1,453,217
North Carolina	3,258	6,225,083	250	1,076,606	873,160
North Dakota	14	53,111	[2] 138	[2] 777,072	[2] 690,648
Ohio	1,829	5,108,063	157	789,879	676,958
Oklahoma	296	920,703	164	1,130,234	716,537
Oregon	105	974,342	46	468,879	379,411
Pennsylvania	937	2,340,174	110	312,930	252,251
Rhode Island					
South Carolina	197	1,114,917	90	590,343	378,992
South Dakota	61	388,802	140	1,313,099	1,275,909
Tennessee	26	53,077	4	22,099	17,945
Texas	4,131	18,524,453	979	8,025,460	6,278,009
Utah	2	5,844	12	65,594	32,311
Vermont					
Virginia	627	1,497,624	39	166,961	140,925
Washington	24	209,599	4	49,849	37,617
West Virginia	526	717,023	24	62,729	47,682
Wisconsin					
Wyoming	228	1,083,240	20	149,730	111,059
Total	22,469	83,603,426	6,181	50,976,700	41,519,825

[1] Excludes banks in receivership.

[2] Includes 1 property situated in the Province of Manitoba, Canada, in which the investment is $2,000 and carrying value $500.

JOINT STOCK LAND BANKS

TABLE 83.—*Real estate and sheriffs' certificates, acquired and disposed of during 1938, by banks*

Name and location of bank	Total acquirements of real estate and sheriffs' certificates		Total disposals of real estate and sheriffs' certificates				
			Number		Investment	Consideration as percent of—	
	Number	Investment	Whole	Part		Investment	Carrying value
Atlanta, Atlanta, Ga	16	$80,102	13	12	$79,238	73.7	96.1
Atlantic, Raleigh, N. C	*16*	*33,001*	*16*	*10*	*39,590*	*93.5*	*104.6*
California, San Francisco, Calif	1	1	4		52,914	74.6	91.3
Dallas, Dallas, Tex	50	263,481	118	16	727,294	95.8	117.4
Denver, Denver, Colo	48	230,125	86	8	570,287	79.5	103.1
Des Moines, Des Moines, Iowa	5	110,884	14	2	170,461	74.9	86.9
First Carolinas, Columbia, S. C	*26*	*61,804*	*53*	*39*	*347,882*	*84.1*	*109.8*
First, Fort Wayne, Ind	24	116,152	37	3	192,380	115.0	150.1
First, Montgomery, Ala	6	12,304	21	12	100,817	79.6	100.3
First, New Orleans, La	6	100,718	6	13	140,705	81.8	109.6
First Texas, Houston, Tex	17	89,539	27	2	190,097	93.6	117.1
First Trust, Chicago, Ill	*65*	*695,647*	*181*	*21*	*1,772,751*	*86.0*	*97.4*
Fletcher, Indianapolis, Ind	42	287,004	36	2	246,756	95.2	102.0
Fremont, Lincoln, Nebr	14	123,244	24	2	220,277	71.8	88.8
Greenbrier, Charleston, W. Va	1	2,900	4		7,210	92.2	94.5
Greensboro, Raleigh, N. C	24	55,360	31	6	98,286	75.7	101.6
Illinois, Monticello, Ill	*1*	*3,852*	*6*		*79,870*	*100.2*	*103.6*
Illinois Midwest, Edwardsville, Ill	3	19,590	16	4	113,394	70.9	106.9
Indianapolis, Indianapolis, Ind			1		4,467	101.5	101.5
Iowa, Sioux City, Iowa	11	87,072	16	6	161,280	83.2	93.2
Kentucky, Lexington, Ky	3	9,420	36		317,260	78.4	105.0
La Fayette, La Fayette, Ind	14	132,132	32	4	279,266	118.5	123.8
Lincoln, Lincoln, Nebr	56	483,068	98	4	956,060	81.8	98.8
Louisville, Louisville, Ky	8	36,523	24	1	134,150	83.1	110.8
Maryland-Virginia, Baltimore, Md							
Minneapolis-Trust, Minneapolis, Minn	5	12,244	17	6	88,056	78.1	87.8
New York, Rochester, N. Y	41	196,854	133	16	726,935	75.5	93.5
North Carolina, Durham, N. C	47	185,086	144	54	613,989	84.1	105.6
Pacific Coast, Portland, Oreg	10	124,412	24	3	285,566	113.3	127.5
Pacific Coast, Salt Lake City, Utah	12	63,801	13		69,011	83.8	95.0
Pacific Coast, San Francisco, Calif.[1]	2	27,937	10		61,862	85.0	100.9
Pennsylvania, Philadelphia, Pa	15	31,562	29	2	101,684	85.4	100.1
Phoenix, Kansas City, Mo	49	218,072	102	3	569,312	81.3	96.2
Potomac, Washington, D. C	7	35,915	18	15	74,721	97.7	145.4
San Antonio, San Antonio, Tex	59	309,206	42	17	256,242	97.5	124.8
Southwest, Little Rock, Ark	33	161,819	38	14	180,371	83.9	105.6
Union, Detroit, Mich	67	198,798	107	40	504,669	88.6	101.7
Union, Louisville, Ky.[2]			2		6,900	110.1	110.1
Union Trust, Indianapolis, Ind	*1*	*4,793*					
Virginia-Carolina, Elizabeth City, N. C	25	97,030	40	4	166,886	86.9	105.3
Virginian, Charleston, W. Va	36	139,408	64	8	301,944	95.1	118.6
Total	866	4,840,860	1,678	349	11,010,640	86.1	104.6

[1] Data are not available subsequent to Feb. 28, 1938. Dissolved, Aug. 24, 1938.
[2] Data are not available subsequent to May 31, 1938. Dissolved, June 21, 1938.

JOINT STOCK LAND BANKS

TABLE 84.—*Bonds issued and retired during 1938, and outstanding Dec. 31, 1938, by banks*

Name and location of bank	Bonds issued during 1938	Bonds retired during 1938	Bonds outstanding		
			Held by issuing bank	Held by investors	Total
Atlanta, Atlanta, Ga.	$950,000	$1,057,500		$1,444,000	$1,444,000
Atlantic, Raleigh, N. C.		976,500		1,364,500	1,364,500
California, San Francisco, Calif.		616,000		41,000	41,000
Dallas, Dallas, Tex.		1,790,000		10,215,000	10,215,000
Denver, Denver, Colo.	2,470,000	3,251,000		3,703,500	3,703,500
Des Moines, Des Moines, Iowa		1,000		32,000	32,000
First Carolinas, Columbia, S. C.		487,500	$64,000	2,136,500	2,200,500
First, Fort Wayne, Ind.		480,500		104,700	104,700
First, Montgomery, Ala.	1,955,000	2,807,500	95,000	2,035,000	2,130,000
First, New Orleans, La.		250,000		1,456,000	1,456,000
First Texas, Houston, Texas		255,000		3,005,000	3,005,000
First Trust, Chicago, Ill.		2,834,000		22,624,000	22,624,000
Fletcher, Indianapolis, Ind.		1,264,900	320,000	7,542,100	7,862,100
Fremont, Lincoln, Nebr.		238,100	20,000	1,677,900	1,697,900
Greenbrier, Charleston, W. Va.		72,600		4,500	4,500
Greensboro, Raleigh, N. C.		594,000		410,000	410,000
Illinois, Monticello, Ill.		120,000			
Illinois Midwest, Edwardsville, Ill.		134,000		1,499,000	1,499,000
Indianapolis, Indianapolis, Ind.		133,000		471,800	471,800
Iowa, Sioux City, Iowa		181,100	72,000	2,082,400	2,154,400
Kentucky, Lexington, Ky.		1,610,000	420,000		420,000
La Fayette, La Fayette, Ind.		471,000		3,165,000	3,165,000
Lincoln, Lincoln, Nebr.		1,209,000	206,000	6,784,500	6,990,500
Louisville, Louisville, Ky.		500		5,000	5,000
Maryland-Virginia, Baltimore, Md.					
Minneapolis-Trust, Minneapolis, Minn.[1]		49,060		628,156	628,156
New York, Rochester, N. Y.		452,000		4,776,000	4,776,000
North Carolina, Durham, N. C.	3,075,000	5,625,000	28,000	3,065,000	3,093,000
Pacific Coast, Portland, Oreg.		855,000	372,000	1,065,000	1,437,000
Pacific Coast, Salt Lake City, Utah		83,000			
Pacific Coast, San Francisco, Calif.		242,000			
Pennsylvania, Philadelphia, Pa.	125,000	444,000		1,911,000	1,911,000
Phoenix, Kansas City, Mo.[2]		*490*	*50*	*12,070,442*	*12,070,492*
Potomac, Washington, D. C.	800,000	1,056,500		1,271,000	1,271,000
San Antonio, San Antonio, Tex.		1,279 500		4,271,500	4,271,500
Southwest, Little Rock, Ark.		123,000	13,000	1,767,900	1,780,900
Union, Detroit, Mich.		760,500	8,000	5,075,500	5,083,500
Union, Louisville, Ky.					
Union Trust, Indianapolis, Ind.		13,000		93,500	93,500
Virginia-Carolina, Elizabeth City, N. C.	1,184,000	1,769,500	75,000	1,036,000	1,111,000
Virginian, Charleston, W. Va.		685,600		2,538,400	2,538,400
Total	10,559,000	34,281,250	1,693,050	111,372,798	113,065,848

[1] Includes certificates of participation.
[2] Includes fractional certificates issued in exchange for farm loan bonds.

TABLE 85.—*Condensed statements of condition, Dec. 31, 1938, by banks*

ASSETS

Name and location of bank	Mortgage loans (net)	Purchase money mortgages, contracts, etc. (net)	Delinquent installments (net)	Cash and securities	Real estate, sheriffs' certificates, and judgments (net)	Other (net)	Total assets
Atlanta, Atlanta, Ga.	$1,219,844	$574,916	$21,654	$231,680	$489,623	$31,653	$2,519,370
Atlantic, Raleigh, N. C.	2,021,806	798,659	3,524	446,383	94,012	46,032	3,410,416
California, San Francisco, Calif.		126,101		74,889	1	216	201,207
Dallas, Dallas, Tex.	9,601,500	2,528,034	96,150	1,309,243	2,306,404	278,617	16,119,948
Denver, Denver, Colo.	2,939,971	1,307,841		1,057,035	1,007,851	55,701	6,368,399
Des Moines, Des Moines, Iowa	228,620	245,450	7,062	10,510	1,081,484	8,572	1,581,698
First Carolinas, Columbia, S. C.	1,166,620	1,049,675	4,630	41,429	354,245	34,913	2,651,512
First, Fort Wayne, Ind.	610,695	553,188	4,777	24,444	397,143	10,961	1,601,208
First, Montgomery, Ala.	1,895,091	545,487	14,342	287,970	265,585	45,939	3,054,414
First, New Orleans, La.	930,973	476,514	7,603	120,226	286,550	33,509	1,855,375
First Texas, Houston, Tex.	1,879,872	354,831	71,607	261,599	1,014,001	29,956	3,610,866
First Trust, Chicago, Ill.	13,850,044	2,109,573	11,641	276,852	11,827,145	206,742	28,281,997
Fletcher, Indianapolis, Ind.	8,058,903	402,907	2,538	263,741	918,469	252,497	9,899,055
Fremont, Lincoln, Nebr.	412,262	335,722	5,334	11,972	2,043,743	10,576	2,819,609
Greenbrier, Charleston, W. Va.	164,593	7,327	179	9,402	10,990	2,978	195,469
Greensboro, Raleigh, N. C.	408,048	265,612	2,178	420,603	119,876	22,771	1,239,088
Illinois, Monticello, Ill.	173,815	42,725		28,354	361,700	3,926	610,520
Illinois Midwest, Edwardsville, Ind.	895,933	237,718	2,140	7,116	1,035,584	21,904	2,194,485
Indianapolis, Indianapolis, Ind.	356,733	14,334	1,145	367,252	4,927	24,197	767,588
Iowa, Sioux City, Iowa	687,229	320,075	17,123	154,529	1,610,560	11,056	2,800,572
Kentucky, Lexington, Ky.	2,190,751	212,855	1,733	11,562	38,050	39,382	2,494,333
La Fayette, La Fayette, Ind.	2,248,319	547,426	37,261	94,539	820,846	40,553	3,788,944
Lincoln, Lincoln, Nebr.	2,904,127	1,183,030	36,017	184,511	5,452,204	90,147	9,850,036
Louisville, Louisville, Ky.	444,338	751,801	1,070	14,910	142,377	10,353	1,364,849
Minneapolis-Trust, Minneapolis, Minn.	53,111	107,095		54,976	865,357	6,764	1,087,303
New York, Rochester, N. Y.	2,762,225	1,292,053	12,917	224,391	1,435,543	37,227	5,764,356

North Carolina, Durham, N. C.	2,988,447	1,915,524	5,880	311,737	707,972	84,052	6,013,612
Pacific Coast, Portland, Oreg.	1,183,941	591,036	124,199	46,972	417,028	51,028	2,414,204
Pacific Coast, Salt Lake City, Utah	52,565	337,069		20,048	116,645	5,928	532,255
Pennsylvania, Philadelphia, Pa.	1,892,353	292,299	38,536	106,400	181,860	53,612	2,565,060
Phoenix, Kansas City, Mo.	4,588,142	362,706		8,975,608	2,116,610	146,828	16,189,894
Potomac, Washington, D. C.	1,320,470	348,282	2,608	196,652	81,515	28,190	1,977,717
San Antonio, San Antonio, Tex.	4,498,158	519,190	365	384,531	2,076,131	195,244	7,673,619
Southwest, Little Rock, Ark.	1,196,948	300,962	5,936	65,751	573,610	23,817	2,167,024
Union, Detroit, Mich.	3,808,982	1,350,228	15,588	75,442	896,415	60,145	6,206,800
Union Trust, Indianapolis, Ind.	277,596	11,106		219,331	8,855	7,075	523,963
Virginia-Carolina, Elizabeth City, N. C.	1,101,825	610,488	11,053	117,448	60,103	43,315	1,944,232
Virginian, Charleston, W. Va.	2,453,563	1,012,200	33,948	231,166	348,810	104,262	4,183,949
Total	83,467,413	24,036,039	600,738	16,741,204	41,519,824	2,159,728	168,524,946

JOINT STOCK LAND BANKS

TABLE 85.—*Condensed statements of condition, Dec. 31, 1938, by banks*—Continued

LIABILITIES

Name and location of bank	Farm loan bonds	Notes payable	Miscellaneous liabilities	Capital stock	Surplus reserves, and undivided profits	Total liabilities
Atlanta, Atlanta, Ga.	$1,444,000	$378,245	$40,536	$350,000	$306,589	$2,519,370
Atlantic, Raleigh, N. C.	1,304,500		1,299,211	907,500	−160,795	3,410,416
California, San Francisco, Calif.	41,000		1,026	[1] 158,581		201,207
Dallas, Dallas, Tex.	10,215,000		326,877	2,421,200	3,156,871	16,119,948
Denver, Denver, Colo.	3,703,500	873,445	151,092	1,184,800	455,562	6,368,399
Des Moines, Des Moines, Iowa	32,000	120,000	16,438	1,131,800	281,460	1,581,698
First Carolinas, Columbia, S. C.	2,136,500	37,400	85,789	785,000	−393,177	2,651,512
First, Fort Wayne, Ind.	104,700	35,000	61,376	400,000	1,000,132	1,601,208
First, Montgomery, Ala.	2,035,000	586,461	56,727	550,000	−173,774	3,054,414
First, New Orleans, La.	1,456,000		59,611	250,000	89,764	1,855,375
First Texas, Houston, Tex.	3,005,000	27,051	104,620	550,000	−75,805	3,610,866
First Trust, Chicago, Ill.	22,624,000		578,243	4,600,000	479,754	28,281,997
Fletcher, Indianapolis, Ind.	7,542,100	250,000	99,991	750,000	1,256,964	9,899,055
Fremont, Lincoln, Nebr.	1,677,900	466,034	50,344	850,000	−224,669	2,819,609
Greenbrier, Charleston, W. Va.	4,500		836	250,000	−59,867	195,469
Greensboro, Raleigh, N. C.	410,000		336,586	[2] 492,502		1,239,088
Illinois, Monticello, Ill.			15,230	[3] 595,290		610,520
Illinois Midwest, Edwardsville, Ill.	1,499,000	339,000	47,643	350,000	−41,158	2,194,485
Indianapolis, Indianapolis, Ind.	471,800		10,258	250,000	35,530	767,588
Iowa, Sioux City, Iowa	2,082,400		63,072	500,000	155,100	2,800,572
Kentucky, Lexington, Ky.		75,000	12,072	650,000	1,757,261	2,494,333
La Fayette, La Fayette, Ind.	3,165,000	67,800	116,846	300,000	139,298	3,788,944
Lincoln, Lincoln, Nebr.	6,784,500	704,000	273,696	2,711,400	−623,560	9,850,036
Louisville, Louisville, Ky.	5,000	764,235	84,335	500,000	11,279	1,364,849
Minneapolis-Trust, Minneapolis, Minn.	[4] 628,156		241,119	450,000	−231,972	1,087,303
New York, Rochester, N. Y.	4,776,000		143,694	800,000	44,662	5,764,356
North Carolina, Durham, N. C.	3,065,000	1,422,000	183,127	700,000	643,485	6,013,612
Pacific Coast, Portland, Oreg.	1,065,000	90,000	131,368	450,000	677,836	2,414,204

Pacific Coast, Salt Lake City, Utah			23,268	300,000	208,987	532,255
Pennsylvania, Philadelphia, Pa	1,911,000	212,467	48,126	418,500	−23,033	2,565,060
Phoenix, Kansas City, Mo	12,070,442	303,899	106,186	1,650,000	2,059,367	16,189,894
Potomac, Washington, D. C	1,271,000		31,387	400,000	275,330	1,977,717
San Antonio, San Antonio, Tex	4,271,500	687,416	130,224	1,226,500	1,357,979	7,673,619
Southwest, Little Rock, Ark	1,767,900	199,009	79,888	285,000	−164,773	2,167,024
Union, Detroit, Mich	5,075,500		204,929	1,370,000	−443,629	6,206,800
Union Trust, Indianapolis, Ind	93,500		5,337	250,000	175,126	523,963
Virginia-Carolina, Elizabeth City, N. C	1,036,000	170,398	69,064	400,000	268,770	1,944,232
Virginian, Charleston, W. Va	2,538,400	424,258	135,859	1,150,000	−64,568	4,183,949
Total	111,372,798	8,293,118	5,424,631	31,338,073	12,096,326	168,524,946

[1] Represents net amount of capital and net-worth accounts after deducting $2,125,120 liquidating dividends.
[2] Represents net amount of capital and net-worth accounts after deducting $87,500 liquidating dividends
[3] Represents net amount of capital and net-worth accounts after deducting $180,000 liquidating dividends.
[4] Includes $818,156 certificates of participation.

JOINT STOCK LAND BANKS IN RECEIVERSHIP

TABLE 86.—*Condition of loans outstanding, Dec. 31, 1938* [1]

Name and location of bank	In default		Not in default		Total	
	Number	Book amount	Number	Book amount	Number	Book amount
Burlington, Des Moines, Iowa	4	$20,765	14	$40,058	18	$60,823
Chicago, Des Moines, Iowa	10	117,276	30	121,662	40	238,938
Northwest, Portland, Oreg						
Oregon-Washington, Portland, Oreg	47	372,881	59	296,555	106	669,436
St. Louis, St. Louis, Mo	32	163,510	688	1,750,626	720	1,914,136
Southern Minnesota, Minneapolis, Minn	25	94,756	84	301,553	109	396,309
Total	118	769,188	875	2,510,454	993	3,279,642

[1] Excludes loans in process of foreclosure.

TABLE 87.—*Loans, purchase money mortgages, and other specified assets held, Dec. 31, 1938, by banks and by States*

Bank and State	Loans outstanding		Purchase money mortgages, real estate sales contracts, and notes receivable		Real estate owned outright		Sheriffs' certificates and judgments	
	Number	Book amount	Number	Book amount	Number	Book amount	Number	Book amount
Burlington:								
Illinois	12	$79,073	7	$30,925	6	$35,528		
Iowa	9	37,607	23	90,525	13	74,902	1	$3,179
Total	21	116,680	30	121,450	19	110,430	1	3,179
Chicago:								
Illinois	25	187,501	33	230,270	38	368,556	3	17,477
Iowa	50	408,091	104	432,101	216	2,275,749	32	316,820
South Dakota					1	1,600		
Total	75	595,592	137	662,371	255	2,645,905	35	334,297
Northwest:								
Oregon			1	3,395	3	752		
Washington					2	12,000		
Total			1	3,395	5	12,752		
Oregon-Washington:								
Oregon	73	470,051	72	425,422	47	353,272	1	22,430
Washington	37	221,724	19	115,524	8	40,209		
Total	110	691,775	91	540,946	55	393,481	1	22,430

JOINT STOCK LAND BANKS IN RECEIVERSHIP

TABLE 87.—*Loans, purchase money mortgages, and other specified assets held, Dec. 31, 1938, by banks and by States*—Continued

Bank and State	Loans outstanding		Purchase-money mortgages, real-estate sales contracts, and notes receivable		Real estate owned outright		Sheriffs' certificates and judgments	
	Number	Book amount	Number	Book amount	Number	Book amount	Number	Book amount
St. Louis:								
Arkansas	162	$814,159	152	$477,690	18	$158,964	2	$25,529
Illinois	371	578,373	186	226,159	55	152,755	24	70,682
Indiana	39	67,550	34	28,917	2	8,907		
Missouri	159	494,977	236	424,059	36	253,381	2	9,997
Total	731	1,955,059	608	1,156,825	111	574,007	28	106,208
Southern Minnesota:								
California			1	680				
Iowa			2	6,560				
Minnesota	91	312,132	250	1,001,313	423	3,359,953	4	19,114
North Dakota					1	1		
South Dakota	20	86,854	33	100,814	651	4,778,844	1	4,967
Total	111	398,986	286	1,109,367	1,075	8,138,798	5	24,081
Grand total	1,048	3,758,092	1,153	3,594,354	1,520	11,875,373	70	490,195

JOINT STOCK LAND BANKS IN RECEIVERSHIP

TABLE 88.—*Statements of condition of banks in receivership, Dec. 31, 1938*

	Burlington		Chicago		Northwest	
ASSETS						
Gross mortgage loans	$144,400.00		$736,600.00			
Less repayments on principal	27,719.90		141,007.40			
		$116,680.10		$595,592.60		
U. S. Government obligations, direct and fully guaranteed—par value (held by Federal Reserve banks subject to the order of the Governor of the Farm Credit Administration)						
Cash on hand and in banks		969.23		45,218.85		$1,435.64
Cash on deposit with the Treasurer of the United States		42,784.19		475,111.64		
Cash in U. S. Treasury—dividend account		9,278.17		137,783.78		
Accounts receivable:						
Tax advances [1]			298.07			
Insurance advances [1]	1.90		6.70			
Other advances [1]			98.15		$100.00	
		1.90		402.92		100.00
Purchase money mortgages and *contracts:*						
Purchase money first mortgages	52,875.00		[2] 241,874.78			
Purchase money *second mortgages*	1,200.00		[2] 6,933.70			
Real estate sales contracts	67,375.00		413,562.28		3,395.36	
Real estate *notes receivable*						
		121,450.00		662,370.76		3,395.36
Real estate *owned* outright		110,430.05		2,645,905.38		12,752.00
Sheriffs' certificates, judgments, etc		3,179.14		354,296.95		
Furniture, fixtures, equipment, etc		11.30		9,413.03		
Other assets		347.97		12,237.02		
Total assets [4]		405,132.05		4,918,332.93		17,683.00
LIABILITIES						
Farm-loan bonds:						
4¼ percent	$32,600.00					
4½ percent	236,300.00		$13,195,000.00			
4¾ percent			9,938,000.00			
5 percent	398,500.00		15,803,100.00			

5½ percent			3,788,000.00			
Total	667,400.00		42,724,100.00			
Less liquidation dividend	[5] 166,850.00		[5] 32,043,075.00			
		500,550.00		10,681,025.00		
Interest on farm loan bonds:						
Unpaid interest maturing prior to date of receivership	3,564.35		134,955.00			
Unmatured interest accrued to date of receivership	6,620.52		747,672.91			
Total	10,184.87		882,627.91			
Less liquidation dividend	[5] 2,546.22		661,970.94			
		7,638.65		220,656.97		
Dividends payable		9,278.17		100,761.28		
Trust accounts:						
Unpaid interest maturing prior to date of receivership			37,160.00			
Other trust accounts	852.72		24,743.31		1,000.00	
		852.72		61,903.31		1,000.00
Other liabilities		164.30		3,120.85		4,462.49
Total liabilities [4]		518,483.84		11,067,467.41		5,462.49

See footnotes at end of table.

TABLE 88.—*Statements of condition of banks in receivership, Dec. 31, 1938*—Continued

	Oregon-Washington		St. Louis		Southern Minnesota	
ASSETS						
Gross mortgage loans	$915, 397. 20		$2, 641, 100. 00		$568, 200. 00	
Less repayments on principal	223, 622. 37		686, 041. 39		169, 213. 72	
		$691, 774. 83		$1, 955, 058. 61		$398, 986. 28
U. S. Government obligations, direct and fully guaranteed—par value (held by Federal Reserve banks subject to the order of the Governor of the Farm Credit Administration)		53, 700. 00				
Cash on hand and in banks		26, 024. 17		51, 069. 55		31, 711. 91
Cash on deposit with the Treasurer of the United States		164, 491. 87		4, 097, 838. 05		283, 987. 58
Cash in U. S. Treasury—dividend account		9, 621. 68		40, 246. 67		82, 538. 00
Accounts receivable:						
Tax advances [1]	10, 495. 69		880. 71		1, 025. 15	
Insurance advances [1]	235. 81		239. 49		82. 22	
Other advances [1]	2, 961. 12		4. 95		197. 55	
		13, 692. 62		1, 125. 15		1, 304. 92
Purchase money mortgages and *contracts:*						
Purchase money first mortgages	103, 342. 57		[3] 1, 048, 637. 78		66, 407. 63	
Purchase money second mortgages			[3] 55, 487. 65		908. 69	
Real estate *sales contracts*	437, 603. 42		52, 699. 27		1, 042, 051. 09	
Real estate notes receivable						
		540, 945. 99		1, 156, 824. 70		1, 109, 367. 41
Real estate *owned* outright		393, 481. 01		574, 007. 00		8, 138, 797. 81
Sheriffs' certificates, judgments, etc.		22, 430. 19		106, 207. 82		24, 080. 49
Furniture, fixtures, equipment, etc.		2, 436. 62		1, 398. 64		14, 967. 55
Other assets		437. 03		6, 659. 77		6, 245. 32
Total assets [4]		1, 919, 035. 81		7, 980, 435. 96		10, 091, 987. 27
LIABILITIES						
Farm loan bonds:						
4¼ percent						
4½ percent			$2, 363, 500. 00			
4¾ percent						
5 percent	$2, 038, 500. 00		15, 771, 000. 00		$18, 845, 700. 00	

5½ percent					2,193,000.00	
Total	2,038,500.00		18,134,500.00		21,038,700.00	
Less liquidation dividend	[7] 407,700.00		[8] 7,253,800.00		[9] 8,415,480.00	
		$1,630,800.00		$10,880,700.00		$12,623,220.00
Interest on farm loan bonds:						
Unpaid interest maturing prior to date of receivership	100.00		18,102.50		552,587.50	
Unmatured interest accrued to date of receivership	42,787.50		262,103.55			
Total	42,887.50		280,206.05		552,587.50	
Less liquidation dividend	[7] 8,557.50		[8] 112,082.42		[9] 221,035.00	
		34,330.00		168,123.63		331,552.50
Dividends payable		9,621.68		40,240.67		82,538.00
Trust accounts:						
Unpaid interest maturing prior to date of receivership						
Other trust accounts	9,925.77		37,240.85		7,426.49	
		9,925.77		37,240.85		7,426.49
Other liabilities		98.92		1,345.97		139,960.29
Total liabilities [4]		1,684,776.37		11,127,657.12		13,184,697.28

[1] Tax, insurance, and other advances include only amounts paid on farms covered by mortgage loans not in process of foreclosure, purchase-money mortages, and real estate sales contracts. Such advances, made during the receivership in connection with any loan that is subsequently transferred to foreclosure, are charged to expense when such transfer is made. Advances made prior to the date of receivership in connection with loans now in foreclosure are included with "Other assets." Advances made prior to the date of receivership in connection with loans which have since become real estate or sheriffs' certificates, judgments, etc., are included in the book amounts of these items. All other advances on loans in foreclosure and on real estate owned are charged to expense.

[2] Purchase money first and second mortgages totaling $248,808.48 includes $28,000.18 which is in process of foreclosure.

[3] Purchase money first and second mortgages totaling $1,104,125.43 includes $7,150 which is in process of foreclosure.

[4] The figures for assets shown in the foregoing statement represent book amounts only and do not reflect the receiver's valuation on such assets. The foregoing statements do not include interest accrued on assets of the bank, and do not include interest accrued on the outstanding bond liability of the banks since date of receivership, which latter interest on Dec. 31, 1938, amounted to $62,157.69 for the Burlington Joint Stock Land Bank; $7,434,866.83 for the Chicago Joint Stock Land Bank; $271,800 for the Oregon-Washington Joint Stock Land Bank; $4,793,472.60 for the St. Louis Joint Stock Land Bank; and $5,793,867.90 for the Southern Minnesota Joint Stock Land Bank. Capital accounts are also omitted. Taxes accrued and not paid on real estate, sheriffs' certificates, and loans in process of foreclosure are not included as liabilities of the bank.

[5] 25-percent dividend declared payable as of July 31, 1938.

[6] 30-percent dividend declared payable as of Sept. 29, 1934; 10-percent as of Feb. 9, 1935; 10-percent as of June 17, 1935; 10-percent as of Sept. 11, 1935; 5-percent as of Feb. 21, 1936; 5-percent as of July 30, 1936; 2½-percent as of Apr. 2, 1937; and 2½-percent as of July 1, 1938.

[7] 20-percent dividend declared payable as of Apr. 30, 1938.

[8] 20-percent dividend declared payable as of May 15, 1935; 10-percent as of Jan. 25, 1936; and 10-percent as of Nov. 28, 1936.

[9] 20-percent dividend declared payable as of Jan. 31, 1935; 10-percent as of Sept. 30, 1935; 6-percent as of June 24, 1937; and 4-percent as of Aug. 3, 1938.

FEDERAL CREDIT UNIONS

TABLE 89.—*Number of Federal credit unions chartered, by States and by persons*

State	Oct. 1 through Dec. 31, 1934	1935	1936	1937	1938	Total
Alabama			6	5	5	16
Arizona	1	3	2	8	2	16
Arkansas	1	2	8	3		14
California	1	46	85	41	36	209
Colorado		1	8	11	25	45
Connecticut	18	33	47	21	24	143
Delaware		1	4	5		10
District of Columbia		45	18	13	7	83
Florida	1	47	30	10	6	94
Georgia		12	9	10	2	33
Hawaii			19	41	22	82
Idaho		9	8	5	4	26
Illinois		13	16	29	31	89
Indiana		33	39	26	18	116
Iowa		1	2	1		4
Kansas	1	2	6	5	2	16
Kentucky		2	2		1	5
Louisiana	7	18	16	14	9	64
Maine	1	9	8	3	7	28
Maryland		3	9	8	4	24
Massachusetts	2	27	19	10	3	61
Michigan		6	36	12	3	57
Minnesota		2	3	5	3	13
Mississippi	1	6	2	4		13
Missouri	1	5	6	7	4	23
Montana		4	6	3	1	14
Nebraska	6	5	7	3	2	23
Nevada			3			3
New Hampshire			1	2	1	4
New Jersey	2	27	51	37	24	141
New Mexico		2	6	3		11
New York	6	104	111	73	74	368
North Carolina		4	21	3	2	30
North Dakota	4	10	12	6	2	34
Ohio		39	63	33	32	167
Oklahoma		6	9	8	7	30
Oregon		6	12	11	6	35
Pennsylvania	7	142	89	58	79	375
Rhode Island	1	2	7	3		13
South Carolina	1	6	9	8	5	29
South Dakota	4	9	1		2	16
Tennessee		15	21	18	7	61
Texas	2	62	59	44	38	205
Utah		15	5	2		22
Vermont	1		3			4
Virginia	9	15	17	11	4	56
Washington		1	21	11	7	40
West Virginia		20	7	2	4	33
Wisconsin			1			1
Wyoming		8	6	2		16
Total	78	828	956	638	515	3,015

FEDERAL CREDIT UNIONS

TABLE 90.—*Number of Federal credit unions chartered, number of members, share balance, total loans made, and loans outstanding Sept. 30, 1938, by States*

State	Number chartered	Federal credit unions reporting				
		Number	Number of members	Share balance	Total loans made	Loans outstanding
Alabama	16	16	2, 613	$55, 211	$215, 069	$53, 112
Arizona	16	13	1, 567	61, 434	199, 204	66, 162
Arkansas	14	10	1, 051	23, 807	97, 531	21, 263
California	203	179	49, 690	2, 495, 771	7, 541, 546	2, 265, 401
Colorado	40	35	3, 441	91, 327	211, 328	79, 719
Connecticut	140	128	32, 619	1, 143, 893	4, 248, 196	996, 420
Delaware	10	10	1, 784	37, 037	97, 606	34, 623
District of Columbia	80	71	27, 950	1, 530, 749	5, 673, 761	1, 361, 309
Florida	93	76	13, 808	647, 292	2, 807, 299	607, 022
Georgia	33	31	8, 332	319, 352	1, 470, 740	291, 542
Hawaii	79	77	15, 688	795, 778	1, 894, 128	722, 173
Idaho	25	23	2, 035	71, 106	218, 560	61, 763
Illinois	87	77	20, 875	671, 711	1, 777, 554	585, 658
Indiana	108	98	21, 864	798, 073	3, 178, 986	704, 250
Iowa	4	4	525	13, 919	48, 262	10, 701
Kansas	16	15	1, 881	64, 681	260, 019	61, 212
Kentucky	5	4	505	10, 593	54, 032	10, 974
Louisiana	64	54	13, 866	702, 322	2, 761, 569	623, 974
Maine	28	19	3, 060	94, 078	336, 454	87, 814
Maryland	24	20	4, 854	100, 131	278, 475	74, 558
Massachusetts	60	16	8, 604	316, 104	1, 299, 493	269, 968
Michigan	57	52	10, 171	402, 679	1, 564, 614	339, 701
Minnesota	13	12	1, 710	53, 843	158, 513	44, 489
Mississippi	13	10	1, 558	55, 224	239, 626	53, 671
Missouri	22	20	4, 699	167, 970	593, 762	132, 261
Montana	14	13	1, 127	37, 425	94, 742	32, 188
Nebraska	23	22	5, 564	278, 452	881, 167	254, 604
Nevada	3	3	192	4, 721	14, 683	4, 103
New Hampshire	4	3	954	16, 594	59, 030	15, 255
New Jersey	134	123	35, 888	1, 585, 264	5, 025, 012	1, 397, 079
New Mexico	11	8	838	26, 238	120, 587	27, 003
New York	357	313	69, 487	3, 102, 075	10, 998, 301	2, 718, 120
North Carolina	30	10	2, 675	87, 495	312, 452	76, 382
North Dakota	34	29	2, 819	100, 094	515, 774	100, 932
Ohio	162	141	33, 917	1, 121, 689	3, 874, 275	1, 012, 209
Oklahoma	29	27	3, 398	130, 566	467, 306	121, 008
Oregon	34	29	4, 168	148, 052	450, 237	138, 876
Pennsylvania	359	330	90, 924	3, 177, 912	12, 281, 931	2, 794, 694
Rhode Island	13	9	1, 922	70, 168	195, 677	52, 030
South Carolina	28	22	3, 891	106, 844	479, 059	91, 988
South Dakota	16	13	1, 439	60, 206	306, 500	54, 236
Tennessee	60	49	8, 905	236, 766	1, 036, 967	213, 491
Texas	195	158	34, 810	1, 811, 745	6, 495, 019	1, 652, 136
Utah	22	19	3, 377	100, 180	380, 484	86, 353
Vermont	4	3	197	3, 780	16, 288	3, 040
Virginia	55	44	6, 716	184, 448	923, 848	159, 676
Washington	39	33	6, 663	204, 130	515, 956	180, 925
West Virginia	33	25	4, 147	127, 342	498, 196	117, 871
Wisconsin	1					
Wyoming	16	14	1, 301	41, 427	152, 907	36, 785
Total	2, 926	2, 549	580, 069	23, 487, 698	83, 322, 725	20, 900, 724

FEDERAL CREDIT UNIONS

TABLE 91.—*Number of Federal credit unions chartered, number of members, share balance total loans made, and loans outstanding Sept. 30, 1938, by type of membership*

Type of membership	Number chartered	Federal credit unions reporting				
		Number	Number of members	Share balance	Total loans made	Loans outstanding
Cooperative	80	64	6,939	$213,797	$610,212	$216,26
Fraternal and professional	109	93	11,286	686,001	2,190,514	541,09
Religious	72	55	5,628	159,345	485,780	129,44
Labor unions	30	24	3,248	65,530	163,463	56,24
Amusements	8	7	2,749	248,357	992,228	200,06
Automotive products	39	28	6,090	150,092	582,827	129,43
Banking and insurance	42	35	7,555	302,879	994,867	250,47
Beverages	9	8	941	35,100	168,042	32,05
Chemicals and explosives	46	41	13,771	478,986	1,680,082	375,16
Lumber	20	16	3,240	50,564	142,387	43,73
Construction and materials (other)	29	25	5,457	168,550	629,367	131,87
Colleges	24	20	1,911	70,902	239,727	70,17
Schools	195	174	21,614	1,006,996	2,866,292	1,117,88
Electric products	90	83	27,921	1,153,938	3,973,582	893,51
Bakery, grocery, and produce	47	39	7,672	382,637	1,607,930	335,56
Dairy products	44	38	6,055	285,891	1,221,604	238,261
Meat packing	45	38	5,647	210,663	1,084,844	192,903
Food products (other)	35	30	6,494	275,440	675,876	212,555
Furniture	13	11	1,496	27,318	98,436	23,186
Glass	17	16	6,422	191,103	762,408	184,253
Federal employees	269	209	66,041	3,062,199	11,979,038	2,882,505
Local government employees	112	103	29,219	1,864,576	5,541,236	1,850,197
State employees	48	40	10,457	421,569	1,525,332	401,201
Hardware	24	24	6,377	206,951	761,871	168,584
Hotels and restaurants	48	40	5,825	117,481	475,802	93,956
Laundries and cleaners	29	23	2,842	82,404	267,657	59,290
Leather	16	10	1,742	43,364	256,540	36,234
Machine manufacturers	56	51	15,302	622,113	2,750,091	475,119
Aluminum	17	14	4,010	128,557	493,837	98,761
Iron and steel	97	89	31,205	1,051,239	3,923,550	873,041
Metals (other)	40	39	11,334	263,671	907,522	236,428
Paper	44	33	6,292	171,334	619,795	141,989
Petroleum	217	197	54,942	2,717,962	9,204,086	2,527,235
Newspapers	49	43	7,191	402,118	1,876,436	328,639
Printing and publishing (other than newspapers)	31	26	4,017	164,402	657,038	136,787
Heat, light, and power	92	88	21,618	951,872	3,374,386	879,112
Telegraph	17	15	2,322	79,273	337,339	67,506
Telephone	46	41	11,924	549,089	1,871,530	545,139
Rubber	13	11	2,857	72,498	287,571	65,272
Stores	178	158	46,915	1,753,640	6,517,152	1,389,177
Textiles	94	74	15,277	299,844	1,209,689	257,210
Tobacco products	1	1	709	18,277	64,059	15,762
Aviation	18	14	7,390	339,032	1,286,885	316,923
Bus and truck	30	25	3,835	99,856	385,704	86,596
Railroads	116	106	22,565	735,604	2,485,281	703,616
Transportation (other)	52	49	15,507	354,062	746,147	342,601
Miscellaneous occupational	56	47	9,828	313,019	1,355,301	274,654
Rural community	81	55	7,475	281,899	549,535	178,416
Urban community	21	19	2,915	110,644	441,847	94,575
Total	2,926	2,549	580,069	23,487,698	83,322,725	20,900,724

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